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Thursday September 19 1985

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## UK ends tit-for-tat as Soviets expel six

World news

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AFRICA

## stripped **UK** gilts

tion with the Soviet Union after Moscow had expelled another six Britons in retallation against the six Soviets ejected from the UK. UK Prime Minister Margaret Thatcher said while on a visit to Egypt: "We shall not respond further to their wholly unjustified

Moscow's action brought the number of diplomats, journalists, trade officials and businessmen expelled by both sides to 31 each. Britain initiated the moves a week ago by ordering 25 Soviets named by the Soviet KGB defector Oleg Gor-dievsky out of the country. Page 18 record borrowing for the Euroyen sector and the first deal of any size since Sweden's abortive attempt to raise Y100bn earlier this year.

Two Greek civilians were charged in Athens with spying for Moscow and a naval officer is being held on suspicion of spying.

#### Falklands call

British Labour Party leader Neil Kinnock and Argentine President Raul Allonsin Issued a joint call in Paris for the re-establishment of diplomatic and commercial links between the two countries and for negotiations to resolve the Falklands dispute.

#### Spain joins: CoCom

Spain is to join CoCom, the international committee which regulates exports of sensitive technology to potentially hostile countries. Nato countries and Japan are members.

#### **Bolivian strike**

Bolivian labour leaders began a hunger strike to protest against government austerity measures, increasing pressure on a new admin-istration already hit by a two-weekold general stoppage.

#### Flights grounded

Striking French air traffic controllers grounded almost all flights to and from France in a protest over

#### Peru sacks generals

The Peruvian Government dismissed two more generals as part of an investigation into the killing of more than 70 civilians by security forces fighting Maoist guerrillas.

#### Angola 'raids'

Angola's Defence Ministry said to close at \$1.336. It also fell to South Africa had carried out two air Y323.5 (Y323.75). It rose to DM raids on its forces, blunting a government drive against rebels. 11.80) and SwFr 3.19 (SwFr 3.1875). ernment drive against rebels.

#### Aircraft cleared

A spot check of Boeing 747 aircraft requested by U.S. aviation authorities after the Japan Air Lines crash that killed 520 people has found no

#### Athens shooting

A gumman in Athens shot dead Michel Nomari, the Jordanian pub-lisher of an Arabic-language magazine that had written of an attem

#### U.S. accused

U.S. law professor Abram Cheyes, of Harvard Law School, said that evidence before the World Court in The Hague showed that Washington conceived, created and organised a mercenary force to overthrow the Nicaraguan Government. The U.S. refuses to attend the hearings. Page 5

#### Brandt goes east

Former West German Chancellor Willy Brandt, forced to resign 11 years ago when a communist agent was discovered on his staff, made a rare visit to East Berlin. Page 2

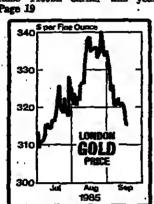
#### U.S. priest freed

Benjamin Weir, an American Presbyterian minister held hostage in Lebanon for more than a year, has

## Business summary Warburg launches

LONDON merchant bank S. G. Warburg successfully revived the zebra - zero-comon Eurosterling bearer or registered accruing secu rities - and set it loose on the Euro bond market. The launch of bonds which are backed by UK govern ment securities, follows a similar but unsuccessful issue last month Quadrex Securities. Page 18; ands, Page 19

THAILAND launched a Y50bn 10 year credit in the Euromarkets, a



GOLD In New York the December Comex settlement was \$319.80. Gold fell \$3 oo the London bullion market, to close at \$315.00. It also fell in Zurich to \$316.65 (\$317.45). Page 30 WALL STREET: The Dow Jones industrial average closed up 2.24 at 1,300.40. Page 38

TOKYO stocks fell across a broad front in cautious trading. The Nik-kei-dow market average dropped

61.85 to 12,529.66. Page 38 LONDON equities and gilts remained in the doldrums. The FT

Ordinary share index ended down 1.9 at 1,000.8. Page 38 DOLLAR ended in New York at DM 2.9153, SwFr 2.3955, FFr 8.8825 and Y242.85. It rose in London to DM 2903 (DM 2892), FFr 8.86 (FFr 8.81), SwFr 2.3880 (SwFr 2.38) and Y242.10 (Y241.85). On Bank of Ec-

gland figures the dollar's index rose to 140.0 from 140.0 Page 31 STERLING ended in New York at

The pound's exchange rate index closed unchanged at 81.1. Page 31 TOKYO'S offshore financial market

moved closer with publication of what the Ministry of Finance con-siders to be its likely parameters.

MALAYSIAN Government has launched a 1bn ringgit (\$400m) investment fund to stimulate expansion in manufacturing, agriculture and tourism through concessionary loans, Page 20

ed coup against Syria's President A GROUP of 18 United Arab Emi-Halez al-Assad. rates banks and international banks have gained more time to arrange a restructuring for the debt-laden Galadari trading empire of Dubai, following this week's adjournment of a National Bank of Abu Dhahi default suit. Page 28

AT&T, U.S. telecommunications group, said a Federal ruling which allows it to combine the operations of its long-distance telephone ser-vice and telecommunications equipment businesses will save \$1bn a

year. Page 19 COCKERILL SAMBRE, Belgium's state-owned steel producer, has warned of delays in its recovery plans with expected first-half and year-end losses. Page 19

GENTING, Malaysian casino, hotel and plantation group, continues to enjoy strong earnings growth, with pre-tax profits for the first half to June rising 17 per cent to 98.4m ringgit (\$39.8m). Page 20

## Olivetti, Acorn and Thomson plan desk computer standard

BY PAUL BETTS IN PARIS

THOMSON, the French nationaised electronics and defence group, is joining Olivetti and Acorn, the UK personal computer company controlled by the Italian concern, in developing a personal computer for the education and general home

The three are expected to an-nounce agreement today on the venture, which would be significant iso because it would be an attempt to create a European standard for personal computers, to compete with Japanese and U.S. standards.

The agreement is at a prelimi-nary stage and envisages setting up a working group to study areas of collaboration. It is expected to be followed swiftly by concrete steps to develop the new product. The companies also envisage pooling their research efforts in this field. The deal follows months of discussions between Thomson and Olivetti, both of which have appered interested in collaborating in personal computers since Olivetti ecquired Acorn. The continental European groups evidently hope to boost the marketing of the existing products and eventual joint products by linking forces in the competitive personal computer market. Thomson has been searching for

its recent entry into the personal computer market. The French company sought a

link with Philips, but the Dutch multinational opted out last year, planning to follow the Japanese standard for personal computers. The new agreement comes as

Thomson is increasing its commitment to the personal computer market with the introduction of a new top of the line model called T09 for its current series of personal Despite the difficult market.

Thomson's personal computer arm is making money, showing a small profit of FFr 10m (\$1.13m) last year on sales of FFr 350m. The unit is expected to be profitable again this year with sales of about FFr 1bn.

currently supplying most of the computers for the French Governcomputers for the Frence computers for struggle.

Feducational authorities in several Prizain. are Standards do not yet exist for computers in the home and educational markets. Each manufacturer has its

This has meant the con such as Commodore and Sinclair Research which achieve the highest sales are the ones for which the best programs are written. In turn, this reinforces the attractiveness of the product, making it increasingly difficult for other companies to enter the market.

To break this spiral, leading Japanese consumer electronics compa-nies developed a standard (MSX) enabling each machine to run the same programs. The attempt flopped in both the U.S. and UK, however, because of delays in getting all the companies to agree the standard which meant the comput ers took longer to get to the market.

The situation is now more compli-

cated as the borderline between the Thomson has made a major effort in the educational sector of the business and bome computer be comes increasingly blurred. There nal computer market and is business computers, both established in the U.S., which have gained

Jason Crisp in London writes: countries, including Britain, are considering adopting one of the proven business standards which would give them much greater freeown operating system which means dom to purchase computers from a any program has to be specifically range of companies and avoid being

## U.S. urges action over flow of arms secrets

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

a large European partner to support adapted to run on its computer.

SOVIET EFFORTS to collect and ssimilate Western military technology are far greater than previously believed, and must be thwarted by more effective countermeasures, the Reagan Administra-tion warned yesterday. The call for increased Western vi-

gilance came in a detailed Pentagon report on Soviet undercover methods of acquiring Western military secrets, complete with numerous examples of how Soviet weapons programmes had benefited from the effort.

The Pentagon of tion that publication of the sensitive report would further jeopardise U.S.-Soviet relations just two months before the Geneva summit meeting between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, in mid-November.

We have no desire to throw cold water on the summit," said Mr Richard Perle, Assistant Defence Secretary for international security policy. It would have been "artificial" to suppress the report, and Moscow was obviously already fully aware of its contents, be added. ment in its own research and devel-

its dependence on a wide variety of Western defence products and technology in the near future without allowing the technological gap to

"Virtually every Soviet long and short-term research project for military systems - well over 4,000 in the late 1970s, and well over 5,000 in the early 1980s - is benefiting from the documents and hardware of at least a dozen Western countries," The Soviet appetite for Western

military technology would remain voracious, the report said. Moscow would continue to exploit any weaknesses in Western export controls as well as Western policy differences, and would "devote whatever resources and manpower are required to fulfil their most critical military collection requirements.

Western efforts to stem the flow in the past," the report said. But the West should continue to strengthen The report said that despite its counter-measures, particularly several decades of massive invest- by improving its knowledge of Soby improving its knowledge of So-viet needs so as to draw up mea-

oppoent, there was little prospect magini and practical, multilateral that the Soviet Union could reduce export control lists." About 90 per cent of the roughly

100,000 Western documents acquired each year under one of the Soviet collection programmes were unclassified, the report said. Soviet intelligence services and their East European "surrogates" probably provided Moscow with about 10,000 classified technology documents each year from the West.

In recent years, East European intelligence services had perhaps been more successful than Soviet intelligence in obtaining priority defence technologies in the U.S. and elsewhere, the report said. The Soviet need was greatest in electronics and communications, although Moscow had saved most roubles by using Western technology in the armour and electro-optic industry.

. The report gave no overall figure for Soviet savings in research and development costs, although it said had made the Soviet effort more that at least 1.4bn roubles (about difficult and costly than at any time \$2.2bn) had been saved on selected five-year plan (1976-80).

Moscow condemns SDI stand,

## Co-founder of Apple resigns

BY LOUISE KEHOE IN SAN FRANCISCO

MR STEVEN JOBS, one of the two have reached breaking point after

chief executive. other co-founder and designer of group, to give it managerial exper-tise. Apple II computer, left the com-pany earlier this year.

The move followed Mr Jobs' an-portion of his shares during the

facturer. Apple is the leading supplier of computers to U.S. schools.
Relations with Apple appeared to

founders of Apple Computer, the company which pioneered the personal computer market, has offered the sto join him in his new venture. It is to jo

his resignation as chairman after a Mr Jobs, whose personal holdings ty by Mr Sculley.

prolonged period of increasing in Apple were reckoned to be worth strain with Mr John Sculley, the several hundred million dollars at board to accept his resignation imthe peak of the company's stock Mr Jobs was 21 when he helped market popularity two years ago, to start Apple in a friend's Califor-nia garage. Mr Steven Wozniak, the ny from PepsiCo, the soft drinks

nonnement last week of plans to past few months since it became form a new company, understood to clear that Mr Sculley had got the be an educational computer manu- upper hand in reshaping the group

mediately, but the company has not yet responded except to say that it is "evaluating what possible actions should be taken to assure protect tion of Apple's technology and Mr Jobs claims that he offered to

resign last week, but that the board asked him to defer action. Apple di rectors then understood Mr Jobs' new venture to be an "education company," and were not aware of

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## EEC's new **funding** plan 'omits Spain and Portugal'

EEC BUDGET ministers yesterday approved a Ecu 32bn (\$24.8bn) draft dget for 1985, and immediately ran into angry criticism that they bad failed to make allowance for Spain and Portugal, who take up full membership of the Community on January 1 1986.

They cut some Ecu 3hn from the proposels submitted by the European Commission for spending in the first year of the expanded 12member Community, but none the less exceeded the spending ceiling of Ecu 29.7hn they imposed on

themselves in the summer.
The ministers managed to trim the budget only by postponing any decision oo how to cope with a backlog of commitments, particuarly to the EEC social and regions funds, until after the European Parliament has given the document

a first reading. They left out any specific provi-sion for Spain and Portugal from those funds, in spite of a plea by the special allowances.

They cut back on the sum avail-

able for food aid to Third World countries, allowing no increase on the 1985 total. They also approved further cuts in spending on agricultural training and investment, on fisheries and on transport policies.

The hard-fought compromise, reached after almost 19 hours of talks in Luxembourg, split the 10 member-states, leaving Italy, ireland and Greece opposed but lacking enough votes to block it.

The deciding question was seen as the need to restrain the European Decider of the Luxember 19 members 19 member

pean Parliament - the other legal arm of EEC budget drafting - from being able to increase the spending far beyond the guidelines of budget ary discipline agreed by the Ten

To do so, the ministers decided to keep spending on policies outside the main budget field of agriculture to a maximum increase of 7.1 per cent - known as the maximum rate thereby restricting members of the European Parliament (MEPs) to adding only half that amount when they dehate it.

However, the outcome was given an angry reception not only by the parliament, but also by members of the Spanish and Portuguese delega-tions. They took part in the debate but did not have a vote.

M Jean-Pierre Cot, chairman of the parliament's budgetary commit-tee, said: 'The Council of Ministers is incorrigible. In 1985 it proposed a budget for 10 months instead of 12. In 1986 it is proposing a budget for 10 member-states instead of 12.

Continued on Page 18 Commission steel quotas, Page 2

## French budget entails cut in real spending

BY PAUL BETTS IN PARIS

THE FRENCH Socialist Government yesterday approved one of the country's toughest post-war bud-gets. A real cut in public spending

excluding debt charges, is envis-aged for the first time.

The budget is the last to be pre-sented by the Socialists in the pres-ent parliament and is thus likely to be implemented by the right-wing opposition, which is expected to win next year's general election.

The basic strategy behind the bodget is to use cuts in public spending to make way for small reductions in personal and corporate taxes while leaving the budget deficit at FFr 145bn (\$16.4bn) or 3 per cent of gross domestic product (GDP).

In political terms the budget steals some of the opposition's programme at the same time as en-abling the Socialists to pursue their disinflationary policies and show a better performance oo lowering inflation than the right previously

Public spending will rise for the first time over the FFr 1,000bo mark in next year's budget. If debt charges are not included, however, the increase in public spending will be held down to 2.8 per cent against a forecast average inflation rate of burdeo will have come down by 1 per cent since 1984, after steady in-.4 per cent next year.

GDP is expected to grow by 6.1 per cent in nominal terms and 2.1 per cent in real terms.

MAIN ECONOMIC ASSUMPTIONS 1985 1986 +1.3 +2.1 +1.3 +1.6 +1.8 +4 +3 +34 +27 +3.7 +4.5-5 +1.1 +1.3 29.6

(in FFr billion) ~12-15 + 5 Balance of 0-+5 +10-15 Dollar/franc exchange rate cut income taxes by 3 per ceot and corporate taxes by 5 per cent if prof-

creases in recent years M Pierre Continued on Page 18 Stock exchange warned, Page 2

its are reinvested. Overall, the tax

## Hernu takes tough line on Greenpeace

BY DAVID HOUSEGO IN PARIS

M CHARLES HERNU, the French Defence Minister, yesterday strong and three of France's most senior by denounced allegations that the military officers Gen Jeannou La-French foreign intelligence services had been responsible for the sinking of the Greenpeace ship Bainsow Warrior, in New Zealand in coste, the head of the French foreign intelligence and Admiral Pierre Labow Warrior, in New Zealand in coste, the head of the French foreign intelligence and three of France's most senior and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's most senior military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of France's military officers Gen Jeannou Lasting and three of F

nn expressed his indignation at Greenpeace affair.

what he described as a campaign of calumny against the French armed forces. He implied that the questions. He also did not reply to tempt to undermine France's nu- misled.

in two days, was aimed at dispelling affair and declared that he was doaccusations that the Rainbow Warrior had been sunk by two French divers attached to the French secret ever, as to why the Government

oly.

eign intelligence service (DGSE) In a prepared statement read behad lied in testimony they gave fore the television cameras, M Her- to the official inquiry into the

Le Monde also said that M Herma

accusations carried by Le Monde on allegations that the official inquiry Tuesday were linked to a wider at- conducted by M Bernard Tricot was

M Hernu's statement, his second "murky zones" in the Greenpeace ing his best to shed light on them. He offered no explanation, how-

Continued on Page 18



Hic

This

## Moscow condemns Reagan stand on SDI

BY PATRICK COCKBURN IN MOSCOW AND REGINALD DALE

THE REFUSAL by President THE SOVIET Communist Ronald Reagan to negotiate o halt to the U.S. Strategic Defence Initiative (SDI) re-search programme has again come under strong attack from the Soviet Union. In its first reaction to Mr Reagan's reaffirmation on Tues-

day of his position on SDI research, the Soviet news agency Tass said the President implied that the Pentagon was already planning to test com-ponents of SDI, the so-called Star Wars system. Mr Mikhail Gorbachev, the

Soviet leader, has said thot unless there are negotiations on preventing the development of space weapons, there can be no discussion on limiting offensive nuclear weapons at his summit poison tha otmosphere" before meeting with Mr Reagan in

port to the U.S. anti-satellite weapons tests, the first of which was carried ont against a real target last week.

Soviet commentators and no restraints on his experi-

party newspaper Pravda yesterday urged West Germany to open talks on o joint proposal by East Germany and Czechoslovakia to create a Central European zone free of chemical weapons, Reuter reports from Moscow. It said the U.S. had supplied thousands of tonnea of chemical agents to West Ger-

the expulsion from London of 31 Soviet citizens for espionage as part of a concerted effort " to

Geneva in November.

Tass noted that President Star Wars is not a "bargaining Reagan had given his full support to the U.S. anti-satellite weapons tests, the first of which

many and regarded them as

first-strike weapons. Last week, the governments in East Berlin and Prague wrote to Chancellor Helmnt Kohl offering tripartite talks on the issue. Herr Kohl wel-comed the letter but said he would continue to back Nato proposals for a worldwide ban with clear vertication pro-

senior officials have denounced mental programme, which he the test, the allegations that repeated at Tuesday night's "spy dust" was being used on news conference, is by no means U.S. diplomats in Moscow and new. Since its inception, be has regarded that programme as a visionary plan to rid the world of nuclear weapons, which is far too epoch-making to be frittered away in negoticions. The latest reaffirmation of his position, bowever, comes at a time when his Administration bas started considering whether to show some flexibility on the

firmly down on the side of those such as Mr Caspar Wein-berger, the Defence Secretary, who insist that there must be

that there would still be plenty out of the world." of other things to talk about at the summit, it is far from clear that Mr Gorbachev will agree with him Mr Gorbachev has made it plain that he regards Star Wars restraint as the overriding priority for the summit, ond has offered to produce plans for dramatic reductions offensive nuclear weapons as soon as Mr Reagan concedes on Star

IIS officials had been boping that the scope of such proposals would be outlined by Mr Eduard

Mr Reagan has thus now come Wars research and development programme, he said, was too important for the world to "trade off for a different number of nuclear missiles when no such deal. there ore already more than While Mr Reagan insisted enough to blow both countries

> The President also rejected the approach suggested by Mr Gorbachev in bis recent interview with Time Magazine, that scientific reseerch on weapons could continue while "field tests" and "the design-ing stage" should be limited Mr Reagan said that he regarded testing and development as a legitimate part of research,

Mr Reagan repeated that be would "stop short of deploy-ment" and talk to the Soviet Shevardnadze, the Soviet Union and other countries about Foreign Minister, when he visits Washington for talks with Mr Reagan and Mr George Shultz, has made it quite clear for a long street that the size of street that the Union and other countries about has made it quite clear for a long time that the aim of such talks would not be to negotiate restraints on the new weapons but to discuss how best to intro-duce them.

## U.S. looks for firm Soviet proposals at Geneva talks

THE UNITED STATES is tooktiations to continue up to the space weapons and defensive of the second U.S. proopsal, to Department spokesman, said 
ing to the Soviet Union for firm summit on November 19 and proposals on arms reductions in that the teams will be in place tegic nuclear weapons, the third weapon systems, conditional on positions outlined by Moscow proposals on arms reductions in the third round of nuclear in Geneva when the two leaders weapons talks which starts here meet. Schedules of seven to

With just two months before the summit meeting here between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet team will be pressed to clarify tha offers of large cuts in nuclear weapons binted at by Mr Gorbachev in his interview with Time Maga-zine and by Sovlet diplomats in private conversations.

No time limit has been set for the third round, indicating conducted since last January in that the two sides expect negotiations have been conducted since last January in three groups. One deals with

first two rounds.

They ended in deadlock. The Soviet Union insisted that detailed negotiations on reducing nuclaor weaponry could not start until the U.S. agreed to balt its Strategic Defence Initiative (SDI), the so-called "Star Wars" programme. The U.S. has refused to give way to this

handles intermediate nuclear and the U.S. Pershing and cruise missiles deployed in Europe.

The broad shape of what happens during the first two rounds has since emerged. The U.S. proposed that the number of strategic nuclear warheads be cut to around 5,000 on each side from around 8,500. The Soviet negotiators agreed in principle but made any negotiation on detail contingent on the U.S. abandoning its "spoce strike arms."

They also made consideration

the cancellation of the SDL Remarks made by Mr Gorba-chev and Soviet diplomats since the second round ended on July 16 in no way suggest that Mos-cow bad abandoned its goal of halting the Star Wars pro-

Moscow, on the other hand, bas beavily emphasised its readi. ness to negotiate deep cuts in nuclear weapons. The figures binted at would correspond fairly well with the U.S. propo-

positions outlined by Moscow are to be taken seriously, "they must be addressed directly to the table in Geneva, and seen and offered as proposals." The Soviet negotiators are

The Soviet negotiators are still seeking U.S. concessions on "the key issue of non-militarisation of space," as Mr Viktor Karpov, their leader, indicated on his return to Genevo on Tuesday.

The U.S. has said anything can be discussed in Geneva but

both Mr Reagan and Mr Caspar weinberger, the Defence
Washington has dismissed these
hints as propaganda.
Mr Bernard Kalb, the State

Meinberger, the Defence
Secretary, have recently repeated that the SDI is not "a
bargaining chip."

## UK suggests six industrial forums to boost Eureka

BY RUPERT CORNWELL IN BONN

ing with a specified high tech-nology, as a means of securing These twin proposals are con-

approach possible to the planned Eureka programme for bigh-teeb collaboration in Europe. London will next month host Eureka programme in Paris last a conference of financiers and July. The hope is that the meetindustrialists to see bow ing will prepare a draft report.

and funding remains obscure — at a ministerial meeting in Hanover in November.

Thus far, only France, with the contribution of FFr 1bn (£90m) announced by President Mitterrand at the July gathering, has formally pledged financial backing to the scheme. The Bonn Government, has demed reports that it has allo-Europe's financial markets can to be further refined by a second best back development projects. The British Government This, in turn, will open the Eureka, while British believes these should be funded way for a successful formal that official support should carrying out Eureka projects. Beyond that, British allow that industrialists, and not puting products, fransportation, cated specific resources to officialdom, should have the advanced manufacturing interest believes these should be funded way for a successful formal that official support should carrying out Eureka projects.

These barriers, in whose dismantlement the Brussels Com-mission will have a key part to play, include agree common stondards and the creation of a genuine single European industrial market, especially in public purchasing.

Beyond that, Britain argues

BRITAIN IS suggesting the as much as possible from the send-off for Eureka — whose primarily consist of removing To qualify, a venture should establishment of six broad private sector with as little future method of functioning barriers to the commercial such ave a minimum of two "core" industrial "forums," each deal-direct State support as is and funding remains obscure — cess of individual projects. European countries, while com-panies involved must commit money of their own to the

> The six areas for collaboration, provisionally sketched out by the UK after discussion with British industry, cover elec-tronic products, high-tech sys-tems for homes and offices, com-

### Bonn coalition at odds over South African links

BY RUPERT CORNWELL IN BONN

THE CENTRE-RIGHT coalition yesterday's Cabinet meeting of Government of Chancellor Helmut Kohl was thrown into disarray yesterday over plans to accept that the decision to acrap the present accord bad array yesterday over plans to break off the country's existing cultural and sporting agree-ment with Sonth Africa.

The Government spokesman confirmed last night that the West German embassy in Pretorio hod already set the diplomatic wheels in motion to diplomatic wheels in motion to abrogate the existing agreement dating from 1962, with the aim of replacing it with another embracing blacks as well as whites in South Africa.

Less important than the innocuous substonce of the measure, taken in accord with Bonn's EEC partners, is the row it has provoked between the Chanceltor'a Christian Democrats (CDU) and the liberal Free Democrats (FDP) on the one bond and the arch-conservative Christian Social Union (CSU) of Herr Franz Josef Strauss on the other.

Four CSU ministers took the virtually unprecedented step at

visits E. Berlin

Genscher, the FDP Foreign Minister, insist.
The answer to the argument itself binges mainly on the semantics of Cobinet procedure but the way in which a com-

### **Commission makes scant** change in steel quotas

BY PAUL CHEESERIGHT IN BRUSSELS

the third quarter.

the third quarter.
Following talks with the industry, the Commission yesterday raised the quotas slightly for some flat products.

been approved by the Cabinet last week, as both the Chan-cellor and Herr Hans-Dietrich

DEMAND FOR ateet in the tast mum prices are set by the Com-quarter of this year is expected mission as part of the plan to to stay broadly of the tevel of restructure the industry. All the summer months, prompting controls abould come off at the the European Commission to set production quotas for EEC steelmakers little changed from

end of this year according to the political targets, but there is expected to be a phasing-out Industry analysts have noted tridustry. the Commission yes-terday raised the quotas been coming in at a retatively slightly for some flat products, but reduced them slightly for the aummer holldays, but that prices generally have been

The quota levels are now holding steady.

alt running beneath those set at the beginning of the yeor, pointing up the fraylle nature of recovery in the industry as it preparea for some relaxation of market controls ot the start of 1986.

Production quotas and mini
prices generally have been holding steady.

In the early part of the year, the EEC steet industry was gaining some benefit from conditions have become increasingly difficult as competition from South-East Asian producers has mounted.

	('000 tonnes)				
	lst qtr	2nd qtr	3rd qtr	4th qtr	
	1 <b>98</b> 5	1985	1985	1985	
Hot-rolled coils Gold-rolled sheet Galvanised sheet Other coated flat products Reversing mill place Wide beams, sections Wire rods Reinforcing bars Morehant bars	5,426	4,328	4,111	3,898	
	3,814	3,711	3,442	3,332	
	928	936	877	866	
	843	829	759	779	
	1,379	7,300	1,277	1,313	
	1,169	1,122	1,062	1,094	
	2,889	2,570	2,570	2,517	
	1,857	1,768	1,737	1,769	
	2,380	2,199	2,167	2,127	

**EEC STEEL PRODUCTION QUOTAS** 

## **Brandt**

EAST BERLIN - Former West German Chancellor Willy Brandt, who resigned in 1974 after his aide was exposed as a communist agent, ar-rived in East Berlin yesterday against the background of another East-West German spy scandal.

The opposition Social Democrat (SPD) party chairman will receive a state welcome when his car crosses

the fortified wall from West to East He was later expected to walk along the central Unter den Linden Avenue, but strict security precau tions were being taken to avoid public demonstrations reminiscen of his last visit to East Germany in 1970. On that occasion crowds gath-

ered in Erfurt cheering him and chanting "Willy, Willy." A meeting with communist lead er Erich Honecker is scheduled for

today. Herr Brandt's three-day visit follows the announcement in Bonn that a secretary in Chancellor Hel-mut Kohl's office had fled to East

Germany with her husband.

The news added further fuel to a scandal sparked by the defection here of top counter-espionage agent Hans Joachim Tiedge last month. Herr Brandt himself resigned as Chancellor after the arrest of his personal aide, Guenter Guillanme.
Guillanme confessed to spying
for East Germany and served six
years of o 13-year jail sentence before being released in an East-West

swap. Western diplomats said the current espionage affair was unlikely to hinder Herr Brandt's talks with

East German leaders.
They said the former Chancellor, whose Ostpolitik heralded the beginning of East-West detente in the 1970s, would probably want to the 1970s, would probably want to the forestry services.

Last week, 14 young voluntary, the services of the forestry services. man rights. Bonn is currently pressing East Berlin to allow more East Germans to visit relatives in the

Arms issues could produce several points of agreement though Herr Brandt will clearly be eager to avoid accusations of undermining Western alliance policy.

The SPD and the East German Communist Party recently agreed a joint document proposing e chemical weepons free zone in central Europe as o first step to a total ban. The SPD has also condemned deployment of U.S. medium-range missiles in West Germany.

Herr Brandt has made it clear he

is not empowered to conduct any

negotianous on behalf of Bonn.

## Spanish opposition tries to block poll on Nato

SPAIN'S CONSERVATIVE oposition has warned Prime challenge to the government as Minister Felipe Gonzalez not to its hopes for gaining a majority expect a bipartisan platform if in favour of Nato are dependent

The proposed boycott by Con-servatives, who fulsomely sup-port Nato alignment, deals a considerable blow to Sr Gon-zalez who has recently retterated, together with other Socialist leaders, that the plebiscite will be held early next year, in accordance with an election pledge.

an election pledge.

Sr Oscar Alzaga, who beads the Christian Democrat wing of Coalicion Popular, the opposition coalition led by Sr Manuel Fraga Iribarne, was reported yesterday as saying that the Government could not count on his supporters, either ot an individual or at a collective level, if it went ahead with the referendum is likely to be held in March.

The statement was a direct

expect a bipartisan platform if he insists on bolding a referendum on whether the country should stay in Nato.

The proposed boycott by Conservatives, who fulsomely support Nato alignment, deals a considerable blow to Sr Gonzalez who has recently the socialist voters.

The Prime Minister, who as opposition leader was strongly against entry into the alliance, has changed bis mind on the issue since coming to power but his position has scarce to the consideration of the control of Nato are dependent on a strong turnout by non-socialist voters. support among the Socialist

Sr Alzaga's remarks echoed others by influential Conserva-tives who argue that a boycort

Government officials say the referendum is likely to be held in March.

## Fires sweep vast areas of Portugal's woodlands

BY DIANA SMITH IN LISBON

VAST AREAS in central and northern Portugal have been declared calamity zones in the wake of forest

city of Coimbra has forced bun-dreds of small farmers and villagers to flee their burning homes. The Portuguese Government has now allocated 25300m (\$1.8m) emergency funds to help the homeless and to set up more fire-spotting

Last week, 14 young voluntary, unpaid firemen suffocated in a forest fire in the centre of the country. A public outcry arose at the deficient conditions under which the nation's thousands of voluntary fireman have to work.

For 9m hectares of forest, Portugal has only 110 firespotting posts.

Portugal's important pulp and
furniture industries will be affected by this year's particularly serious fires. In a month, more acreage has been destroyed by forest fires than

in the entire year of 1984. Three months of exceptionally hot, dry weather have helped the work of arsonists, some of whom have been caught shortly after setting fires and have confessed to being in the pay of unscrupulous timber merchants who can profitably sell singed wood.

Each year, protests mount at the lack of official support for Portu-gal's forestry services. One tenth of the total area of Portugal is covered by forests.

A damp 1984 summer and a re-

duced number of fires caused the authorities to pay less urgent atten-tion to the problem, but this year'e parched summer has once again exposed the dramatic shortcomings of the forestry and fire-fighting ser-

The drama is illustrated nightly by spectacular pictures on television news programmes: It has also become a major issue in the campaign for the October 6 general election - as an example of what critics call the negligence of the Government • Sr Mario Soares, the Prime Min-

ister, said 79 people bad been detained on suspicion of starting forest fires in recent weeks, and that police activitiy would be stepped up to prevent arson, AP reports from

He told reporters that the national forest service estimated late on Tuesday that 25 large forest fires detected oo Sunday and Monday

were still burning.
Eighteen people, including 14 firefighters, have died in fires this year, the forest service said. Much of the tinder-dry countryside has been sweltering in temperatures as high as 38C (100F) since last Friday. for the satellite

### Banks set for Ecu clearing system

By Peter Montagnon. romarkets Correspondent

THE Bank for International Settlements is set to approve the formation of a clearing system for private banking transactions denominated in Ecus when its hoard meets

next in Basic on November 12. This follows the formation in Paris this week of an asso-ciation of 18 leading commer-cial banks which would work with the BIS in operating the clearing system for Ecu transactions.

Ecus are the currency unit of the EEC and are o composite of the currencies of individual member states weighted according to their share in Community trade. Bankers believe the formation of o clearing system wilt give a major boost to the UR of the Ecu is private dealings. As one of its first actions, the assolcation has agreed on proposals for the scheme which are now due to be considered by the BIS board.

As a further step forward, the Brussels-based Society for Worldwide International

Financial Telecommunication (Swift) has also this mouth undertaken to develop the computer programmes necessary for it to net out transactions in the clearing

system.

This and the formation of the association itself fulfil two of the main conditions set by the BIS for agreeing to participate in the system by operating accounts in Ecus for each individual clearing

But the time taken to develop and test the Swift computer programmes means that the system cannot become operational for about another year, bankers said vesterday.

Meanwhile, elearing will continue to be carried ont by the five banks—Kredietbank and Generale Bank of Brussels, Lloyds Bank of Brusseis, Lioyas Bank or London, Credit Lyennals of Paris and Kredietbank Luxembourgeoise — which already undertaken such

They will work closely with Swift on the technical side and will be joined as clearers from November 1 by two other institutions: Banque Bruxelles Lambert and Institute Bancario San Paeli di Bankers believe the system

itself will respond to the needs of the marketplace where private transactions in Ecus are growing rapidly. "At Credit Lyomais the volume processed through the other clearing banks has doubled in the last six moaths," says M Dominique Rambure, a seniar executive of the French bank who has

been elected chairman of the newly formed Ecu Banking Associatian. Further official encouragement for the clearing system has come from expectations that the European Investment Bank will join the association, though it is not expected to clear Ecu business in competition with the other clearers.

These are to be: Algemene Bank Nederland, Allied Irish, Banca Commerciale Italiana, Banca Commerciale Italiana, Banca Nazionale del Lavoro, Banque Internationale de Luxembourg, Banque Nationale de Paris, Caisse d'Epargne (Luxembourg), Credit Agricole, Deutsche Bank, Morgan Guaranty and Société Generale.

Other banks may join the clearing system eventually although the BIS has set a maximum limit of 30 for the

### **Dublin selects U.S.-designed DBS** satellite

By Our Dublin Correspondent THE IRISH Government has chosen a satellite designed by the U.S. Hughes Communications to supply a direct broadcasting system (DBS). Programmes from the satellite will be receivable in the whole of the British Isles and parts of northern

Europe. The choice of the Atlantic Satellites consortium was something of a surprise since a rival group, West-sat, which included the Irish Broadcasting service, RTE and Allied Irish Banks, had been favourite. In the event the Irish Govern-

ment appears to have been worried at the possible losses which might be incurred by RTE if the project was not a commercial success. A fi-nal cost for the satellite, which is due to be operational in 3% years, could be IE100m (\$108m). Atlantic Satellite is headed by Mr
James Stafford, an Irish businessman. The experience of
Hughes Communications in the

manufacture of satellites appears to have swung the decision in its favour. The Irish market could not support a DBS system on its own but the potential audience is reckoned to be almost 100m people and this is

the attraction of the system. Mr Stafford has not made clear where he will acquire programming

## Women's retirement before men 'breaks Community laws'

is likely to be endorsed by the Euro- cause they became eligible for a

BY ROBIN PAULEY IN LONDON

PUBLIC authorities which require General, said that the 1978 EEC diwomen to retire at an earlier age rective, which was not being fol-than men breach an EEC directive, lowed by four other EEC countries the European Court's Advocate- as well as Britain, meant that wo-General has found. His opinion, delivered yesterday, length of their working life just be-

pean Court when it considers its pension earlier than men. judgment around the end of the year on a case brought by a British health worker backed by the UK's birthday on the grounds only that Equal Opportunities Commission. The result, especially if a favourable European Court decision trig-gers a series of similar cases without prompting UK Government action, could be a European Commission complaint to Britain about its some confusion last night as to why sion complaint to Efficient about different rules of equality failure to abide by EEC rules. In addition, the Laxembourg-based court public and private sectors.

The finding affects equal opportunition but not fenders. The British Government nity and sex discrimination but not

usually tries to comply with European Court rolings. The case was brought by Miss Helen Marshall, now 67, o senior dictician employed by Southamp-ton and South West Hampshire Health Authority in the UK which wanted her to retire against her wishes when she turned 60. She was allowed to stay on until she was 62 in 1980 but then forced to retire, although a man holding the same position would have been al-

lowed to work until he was 65. An industrial tribunal dismissed her case but, backed by the Equal Opportunities Commission, she fought it up to the British Appeal Court, which referred the case to

Luxembourg. Sir Gordon Slynn, the Advocate-Worldwide de-regulation a threat to Paris bourse

BY DAVID MARSH IN PARIS de-regulation is confronting the Paris bourse with "a problem of survival," according to M Daniel Lebegue, director of the French Treasury,

French Treasury,
In one of the frankest explanations yet from o senior
French official of the reasons
for this year's tide of liberalisation measures from the Finance
Ministry, M Lebegue said the
Government was trying to reinforce Paris as a financial centre
M Lebegue made his comments to bankers at the opening bere of a branch of
Amsterdam Rotterdam bank,
Among the liberalisation moves Among the liberalisation moves made this year are efforts to link short and longer term financial markets and the întroduction of futures and options dealing. The Government has also taken steps to increase competition between bankers

WORLDWIDE financial market directly through Issues of com-

men were not to be penalised in the

she is a woman is discrimination.

He added, however, that in his

view the directive applied to the

public sector and was not necessari-

pensions. A separate EEC directive allows member states to discrimi-

nate between pension rights for

men and women so there is no

question of the British Government baving to revise the age at which a state pension becomes payable - 65 for men and 60 for women.

Although the ruling does not af-fect pensions, the Equal Opportuni-ties Commission last night urged

the Government to consider having

the same pension age for men and

women and leave it up to the indi-

vidual whether to work beyond it.

The Employment Department in London said last might that the judgment would have to be studied

carefully before the implications for

equal opportunity and employment

conditions were clear.

Although the Government has lifted some minor exchange con-trols, it is cautious about going further. M Lebegue classified as "disagreeable" the exchange premium system which penalises French residents' purchases of foreign securities, but said it would be removed only when the balance of payments performance allowed.

He also said that the trend towards controlling money supply through interest rates rather than through quantitative controls, was inescapable. This would involve the Bank of France intervening on the money market in a similar fashion to the U.S. and Britain.

Even though France formally scrapped its old system of credit cellings at the end of last and stockbrokers and is allowing company treasurers to tap the sbort term money markets titative control.

Little fie.

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3842

## Austrian budget deficit set to grow next year

BY PATRICK BLUM IN VIENNA

THE AUSTRIAN budget deficit is represent 4.6 per cent to 4.8 per cent set to grow further next year des-pite measures to curtail spending, Dr Franz Vranitzky, the Finance expected for this year but lower

Dr Franz Vranitzky, the Finance
Minister, said this week.

The gross budget deficit is expected to grow to about AS 105bn (55.1bm) next year compared with an expected AS 95bn-100bn for this year.

Initially the 1985 budget outlined expenditure of AS483bn and revenues of AS 369bn resulting in a AS 94bn budget deficit, but a slightly higher deficit is now expected.

Dr Vranitzky said he expected that the 1986 net deficit - gross deficit less debt redemptions - would excessive additional demands.

## Propaganda war for miners nears climax

BY IVO DAWNAY IN BRUSSELS

up an international miners' union acquiring a level of international re-federation with affiliates from both the Eastern and Western power enjoy. The first meeting of the Interna-tional Federation of Mining and Energy Workers is due to take place at e congress in Paris this weekend. Letters from the British National

Union of Mineworkers' Sheffield headquarters have been dispatched world-wide to invite fellow organisations to attend. In Brussels, officials of the Miners' International Federation, an autonomous affiliate to the main Western union centre, the International Conferation of Free Trades

Unions (ICFTU), have been working to ensure there are no delections by its member unions. Moreover, in Paris, Force Ouvriere (FO), another ICFTU affiliate. has written to President François Mitterrand demanding that any ottempt by the new federation to set up a permanent secretariat in the

A DISCREET but concerted French capital will be blocked. struggle to win the hearts and minds of trade unions of miners published a decree hanning the and energy workers throughout the world Federation of Trade Unions, world is nearing its climax this (WFTU), the main Soviet-bloc union week in a flurry of letters and te-centre, from operating in Paris. lexes from international union Force Ouvriere fears that the The propaganda war stems from to join the new federation in an atthe efforts of Mr Arthur Scargill, tempt to move their organisation the British miners president, to set from Warsaw to France, thereby

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### **Middle East** peace talks urgent, says **Thatcher**

MRS MARGARET THATCHER the British Prime Minister, arrived in Jordan last night baving warned that there could be "acute difficulties" for King Hussein if his Middle East peace initiative was abruptly terminated.

She went immediately to meet the King, baving praised him for the courage he had abown in the steps towards peace. At a banquet given by the Jordanian monarch, Mrs Thatcher stressed that peace could not be achieved "if large numbers of the people in the necupied territories are denied tim possibility of living under a system and a Government" that they could trust.

Government" that they could trust.

She said that there had to be a fair settlement which "takes into account the legitimate rights of all the people and states in the area, including, of course, the Palestinians." The Prime Minister is clearly worried, however, that time is running out for King Hussein's peace plan. "There are only a few months left to get the first stage off the ground," first stage off the ground," she said before leaving Egypt.

King Hussein launched his nitiative last February, in conjunction with Mr Yassir Arafat, chairman of the Pales-tine Liberation Organisation (PLO). It envisages Israeli withdrawal from and Paleswithdrawal from and Palestinian self determination on the West Bank and Gaza Strip in confederation with Jordan. The first step, is for a joint Jordanian-Palestinian delegation to hold talks with the U.S. before moving unto negotiations with Israel.

mto negotiations with Israel.

Mrs Thatcher suggested carlier that the delay in holding this initial meeting must have been in part due to President Ronald Reagan's illness. However the U.S. has also rejected a number of the Palestinian delegates proposed by Jordan because of their association with the PLO.

Mrs Thatcher will also be seeking in her talks today with King Hussein a modification of his demand for an international peace conference under United Nations euspices, She thought that if enspices, She thought that it King Hussein's plan won the backing of the European. Community, together with the U.S. and moderate Arab states, this might be a sufficient international frame.

cient international frame, work for him.

The urgency of the Prime Minister's task was underlined earlier this week when Jordanian and Syrian officials met in Saudi Arabia, for reconciliation talks. Syria is totally opposed to King Hussein's initiative, and has repeatedly stated that it is doomed to failure.

#### Second hearing in Bahrain bank case closed

By Mary Frings, recently in

THE SECOND hearing in Bahrain yesterday of a case against Mr Hassain Najadi, the former chairman and chief executive of the Arab Aslan banking group, was closed after less than 10 minutes due to the resignation of his

The lawyer's claim that he had not been given access to his client or to the documents on which the prosecution case is based, is now to be examined by a higher court within the next few days.

It is alleged that fir Najadi

has not seen his lawyer while he has been in detention for he has been in detention for the past five months, and a request has been put to the higher court either that he should be released during the period of his trial or that he should be allowed to consult in private with his legal representatives.

At a preliminary hearing in

the criminal court on August 21, Mr Najadi was accused of forgery of documents, em-bezzlement, destruction ofent, destruction of bank documents, misappro-priation of bank funds and buse of trust. The charges appear to have

no bearing on the serions solveney problems which led tn the takeover by Luxem-bourg-based Interests of Arab Asian Bank in April this year. They relate solely to a Swfr 5m personal loan arranged two years ago in the name of the member of Mr Najadi's family, but allegedly serviced by Mr Najadi himself. ECONOMIC REFORM PACKAGE EXPECTED SOON IN BID TO SECURE IMF LOAN

## Zambia set to introduce foreign exchange auction

ZAMBIA is set to introduce a cent of export earnings.

foreign exchange auctioning Last year's production of
system which will lead to a some 520,000 tonnes was 50,000 ZAMBIA is set to introduce a foreign exchange auctioning system which will lead to a sharp fail in the over-inflated official value of the kwacha. Tha system would form part of a package of economic reforms which is expected to lead to tha conclusion of an agreement with the International Monetary Fund (IMF). for about

with the International Monetary
Fund (IMF), for about
SDR 100m (£76m).
The move, expected to be
announced officially on Monday,
follows nearly a year of tough
negotietions between IMF and
Zambian government officials
on radical measures needed to halt the country's precipitate economic decline.

This has been spurred by low prices and falling production of copper, which provides 90 per

tonnes short of the Govern-ment's target, while a further 40,000-50,000 tonnes drop may be expected this year.

Mr Luke Mwananshiku,
Zambia's Finance Minister, is
understood to have sent a timtable outlining proposed

table outlining proposed reforms to M Jacques Larosiere, tha IMF managing director, including o commitment to a foreign exchange auction.

A number of other measures in the property stocks as the property s implemented recently, such as a subsidy reduction leading to a 50 per cent rise in the price of maize meal, the atapla food (further subsidy cuts are likely), reductions in civil ser-

vice staffing and spending, and

Action to clear the Kwacha 600m to Kwacha 700m "pipe-line" of unremitted profits and dividends built up over the past aix years is a crucial element of the programme.

An IMF team is due in Lusaka late next month to assess the reforms and it is boped that final agreement on a new standby can be reached by the year-end. month standby facility egreed in July last year was suspen-ded last year with only SDR 80m drawn.

Under the proposed auction system, importers will be

what restrictions might be im-

posed on the use of foreign exchange purchased, it was believed that foreign companies wishing to remit profits and dividends could do so through the euction.

This is expected to lead to e sharp drop in the official value of the Kwecha, which currently trades at around

the de-control of domestic plowed to bid freely for a one-third of its official value on interest rates, were also limited amount of foreign the black market.

Action to clear the Kwacha

Although it was not clear domestic petrol prices will domestic petrol prices will boost food costs and hit hard at living standards which have fallen aharply in recent years.

Numerous government paro-alatais, which dominate all sectors of the economy epart from commercial hanking and a new standby can be reached by the year-end.

A previous SDR 225m 20nonth standby facility egreed 1 July last year was suspended last year with only DR 80m drawn.

Under the proposed success of the percent of the



## Attack designed to aid Angola rebels

BY ANTHONY ROBINSON IN JOHANNESBURG

SOUTH AFRICAN defence forces involved in the first headquarters yesterday revealed operation between January 10-further details of its latest cross-border raid into Angolo as in-72 had been destroyed and that border raid into Angolo as in-ternational criticism mountad and diplomats voiced a growing and diplomats volced a growing belief that the operation is at least parily designed to ease the pressure on Unita forces further north.

South African defence officials have in the past said that at least 60 per cent of the 8,000 South-West Africa People'a Organisation (Swapo) guerrillas beve been deployed in support of the Angolan FPLA army in operations egainst Unta forces led by Dr Jonas Savimhi.

In recent weeks Unita forces are believed to have come under strong pressure around the Benguela railway and other areas of central Angola from FPLA forces strengthened by recent chipments of Soviet built MiG 23 fighter homhers and helicapter gunships.

Defence beadquarters in Pretoria said yesterday that nearly 500 South African and Namihian troops split into 12 "reaction teams" of about 40 men each, backed up by air-craft, were conducting what it called the "follow-up operation" against the Swepo 8th Bettalian consisting of between 400 and 800 men.
It said that the operation fol-

operations.
Significantly the latest state ment from defence headquar-ters criticised the FPLA. It noted "greater co-operation be-tween the FPLA and Swapo and accused the Angolan forces of providing Swapo with logistic help and also informing them of security force movements. Defence headquarters also

Defence headquarters also occused Swapo of violeting the February 1984 Lusaka agreement between South Africa and Angola 145 times.

Under the eccord South Africa agreed to withdraw its troops providing the FPLA did not allow Swapo to occupy the vacated areas.

"It rapidly became obvious

"It rapidly became obvious that the Angolan forces not only provided Swapo with logistic help but elso informed them of accurity force ections" the statement said. Security analysts here noted

that the latest raid is partly aimed at pre-empting the traditional rainy season infiltration effort by Swapo and of hreak-ing up their supply lines to the

It elso takes place as the recently formed coalition "government of national unity" in lows at least three atto-upts this Windhoek is about to embark year by Swape to infiltrate on a political operation de-Namibia in large numbers, two signed to boost its standing of them since the withdrawal of among the Ovambo tribe, which South African forces Tront makes up nearly 80 per cent of southern Angola on May 13. the total Namibian population and where hittleffo has clathed majority of the 200 Swapo its principal support.

## **Reconsider Krugerrand** ban, Pretoria urges U.S.

BY ANTHONY ROBINSON IN JOHANNESBURG

George Shultz, U.S. Secretary of State, that the U.S. intends to ban the import of Kruggerands within weeks amounts to "an attack on our mining industry," Mr Louis Nel, the recently appointed Deputy Minister of In. Nel called on Washington to re-consider its decision.

South Africa, he added, was

"concerned that the intended
embargo motivated in terms of

the symbolic value of the krugerrand, ignores the prac-

tical consequences."

The mining industry employs over 550,000 people. It is the second largest employer of hlacks in South Africa and the largest employer of foreign blocks. It is also the largest earner

of foreign exchange for the rand monetary aree which includes Lesotho and Swaiziland, he

of the price of each krugerrand accrues to the family of foreign mineworkers back home.
"No constructive purpose will

"No constructive purpose will be served by ottacking one of the most vieble and important instruments of economic development in Africa," he concluded.

When sales of krugerrands were et their peak in November 1978 the coins accounted for 48 per cent of that month's total gold output of 189m courses. as per cent of that month's total gold output of 1.89m ounces. This year they are expected to total less than 10 per cent of total gold production which reached 14.43m ounces over the first 8 months of this year.

Banking officials helieve that the contraction of the kruger-rand market on the kruger-rand market on the kruger-

rand market, on top of the general liquidity problems exacerbated by disinvestment and the standstill on foreign debt repayment, has obliged the Reserve Bank to step np its Half the earnings of foreign gold hullion sales so contribut-workers are re-patriated to their ing to the continuing weakness

## Two children shot dead in Cape township

BY OUR JOHANNESBURG CORRESPONDENT .

TWO SCHOOL children were shot dead by the police in the Coloured township of Elstes River near Cape Town yesterday and at least two other people were killed in similar incidents elsewhere as violence continued in several parts of the constru the country.
In central Cepe Town parents

and relations of people detained under the emergency regulations and security laws were beoten by police as they walked to police beadquarters in Caledon Squere to deliver a letter to the commissioner of

police.

The crowd of around 50 people intended to seek assurances about the treatment of their detained reletives in the

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SEOUL HILTON INTERNATIONAL WHERE THE WORLD IS AT HOME \*\*

light of o recent report by the University of Cape Town which estimated that 85 per cent of detainees were tortured in one form or another while in deten-

tion.
The crowd linked arms and were walking three ebreast towards the police station when they were charged by police

wielding whips.

Meanwhile, a delegation of lawyers, headed by the President of the Association of Law Societies, went to see Mr Kobie Coetsee, the Minister of Justice, in Pretoria to express their "deep concern" about the wide powers given to the police and the army by the emergency regulations.

In a statement the president Mr Geoffrey Co, said the effect of the regulations " is that an inhabitant of this country who has committed no crime can be subject to a humiliating and consider imprisonment withdegrading imprisonment without any recourse to the low."

He pointed out that under the regulations "any person can he imprisoned if, in the oninion of a policeman, soldier or prison official such imprisonment is necessary for the maintenance of public order." There is no requirement that eny offence ahould heve been committed, he added.

### Japan sets defence cash target

By Carla Rapoport in Tokyo JAPAN yesterday hammered out a new five-year defence spending programme, but it remains unclear whether the programma will breach the long-held ceiling on spending of 1 per cent of gross national product.

A spending target of Y18,400bn (£56.8bn) for 1986-1990 was agreed early yesterday after all-night negotiations between government and poll-tical leaders including Mr Koichi Kato, Defence Agency director-general, Mr Noboru Takseshita, Finance Minister, and Mr Shintaro Abe, Foreign

This amount is estimated to be 1.038 per cent of Japan's GNP for the five years, eccording to the Economic Planning Agency. However, the first year's spending is expected to be below 1 per cent of GNP hecause of expected revisions of the GNP calculation hase later this year.

The spending targets were epproved by Prime Minister Yasuhiro Nakasone's Cahinet yesterday afternoon. Mr Nake-sone failed earlier this month to secure political approval for ending the 1 per cent limitation, Cabinet ministers also agreed yesterday to boost Japan's foreign aid allocation, known as Official Development Assist ance (ODA), for 1986-1990 to

\$40bn (£28,6hn) or more. It was agreed that the Government would strive to double the ODA in 1992 from its 1985 levels, raise the ODA-GNP ratio, improve the quality of Japan's overseas assistance and enhance the effectiveness of its ODA spending. Its ODA spending.

AP-DJ adds: Mr Satoshi Sumita, the governor of the Bank of Japan, indicated yes-terday that he is opposed to restrictions on capital outflows. He said Japan should be extremely careful" in intervening in a natural flow of capital.

Mr Smith said Jopan should not curb the drain of capital at o time when the U.S. has to depend on capital from outside to cover its hudget deficit and when protectionist sentiment in the U.S. Congress has been growing. Such e step, he said, might be considered to be e threat against the U.S.

#### Singapore wins battle to stabilise dollar

By Chris Sherwell in Singapore

By Chris Sherwell in Singapore
THE Monetary Anthority of
Singapore, the island state's
hank regulatory egency, yesterday claimed victory for its
tough intervention operation
against speculetors who had
been selling the Singapore
dollar short.

The currency finished the day
in Singapore yesterday at \$32.20
against the U.S. dollar—around
pre-speculation levels—after
being hauled back up from an
eight-year low last week of
\$32.31 to \$\$2.1930 on Tuesday.
The authority ochieved its
target of stahilisation principally hy driving up overnight
rates in the local interbank
market, thus making it prohibitively costly to fund speculotive short-selling. At one
point on Tuesday the rate hit
105 per cent, and yesterday it 105 per cent, and yesterday it finished ot 20-25 per cent, o five-point spread.

In a typically sharp statement

In a typically sharp statement yesterday afternoon. Dr Goh Keng Swee, ecting chairman of the egency in the absence of Dr Richard Hn In China, said the aothority'a action hod echieved its purpose and liquidity would now be injected back into the market.

liquidity would now be injected back into the market.

"Speculators have suffered beavy losses," he eaid, and he warned thot the exercise would be repeated if the phenomenon re-emerged. "Those who must speculete are well advises to leave the Singapore dollar

leave the Singapore dollar alone.

Dr Goh also said bankers should recall their loans to speculators or not renew them at maturity. He warned corporations which had borrowed et prime rates and lent overnight at a profit "to stick to their chosen fields and not act as financial intermediaries."

## Paris Club agrees Morocco debt pact

government creditors has agreed to reschedule about 51bn (£740m) worth of Moroccan Government debt which falls due in 1985 and 1986.
This figure, which includes both principal and interest, amounts to 90 per cent of what the country owes Western governments during those two

years. Repayments will be stretched over nine years with four years grace, conditions considered extremely favourable to the debtor.

The agreement reached in Paris follows the accord between Morocco and the International Monetary Fund which led, earlier this week, to the IMF extending a new SDR 315m (£240m) loan to the kingdom. Western banks, which are owed about \$3hn by Morocco in 1985 and 1986, are expected to reach an agreement over the next few weeks.

Agreement between Morocco and the banks was held up for many months by Morocco's reluctance to allow its central bank to give a formal guarantee to the Western banks.

Instead, the Banque du Maroc has given the banks a letter of undertaking to make foreign currency available to meet the service of the commercial debt.

THE Peris Club of Western Bank approved a \$150m government creditors has readjustment loan to the kingagreed to reschedule about dom, the second of its kind

in two years.

Altogether, Morocco had to face repayments worth \$60n in 1985 and 1986, a large part of which is owed to international organisations.
The agreement reached in

confirms that rescheduling package for the two years is fast falling into place, thus allowing the country more time to proceed with the many internal reforms initiated during the past two

According to the Banque du Maroc annual report, subsidies for basic foodstuffs were held to dirhams 2.1bn last year. This year, taking into eccount the increases in the price of flour, augar and cooking oil announced just over two weeks ago, the cost of subsidies is expected to rise to dirhems 2.5bn.

The various ousterity measures taken since 1983 hove, however, cut the budget deficit from 8.5 to 6.7 per cent of gross domestic product between 1983 and 1984.

But the current account deficit rose by nearly dirbams 35n to dirhams 9.5bn under the impect of higher cost of imported energy and food and also because of the more liberal

### Manila bid to ease IMF programme

THE PHILIPPINES yesterday sought relaxation of austerity measures imposed by the Inter-national Monetary Fund in a revised letter of intent to the Fund which spella out its 1986 economic programme.

The revision was the second made aince last year and followa a period of economic controction. The IMF executive board is to meet on September 25 in Washington to review progress in the Philippines' adjustment

A favourable review would lead to the release of the third tranche of ehout \$106m of the standby arrangement signed in 1984 with the IMF

The revised recovery progromme seeks on expansion in the ceiling on the budget deficit to allow for some leeway in funding

The original ceiling had been set of ebout 1 per cent of gross national product but Mr Cesar Virata, the Prime Minister, said this should he allowed to expand to between 1.5 per cent and 1.6 per cent of GNP.

The revised programme colls for replacement of the 5 per cent tax on imports by a 10 per cent levy for importers, 7 per cent for manufacturers and pro-ducers and 3 per cent for wholemercial debt. import regime urged upon the ducers and 3 per cent for the months ago the World Moroceans by the World Bank, salers and retailers, - - ...

### Deng to remain at helm in China

A SENIOR Chinese official stressed yesterday that the Chinese leader. Deng Chinese leader. Deng Xiaoping, would remain at the country's helm indefin-itely and that no nther major changes are expected in the leadership in the near future. His comments came after an extraordinary Chinese

an extraordinary Chinese Communist Party conference had opened in Peking.

The 992 conference delegates gathered in the Great Hall of the People were told by Communist Party general secretary. Hu Yaohang, that 90 new members would be appointed by the meeting to the party's central committee. appointed by the meeting to the party's central committee and its alternate body, re-placing the 64 elderly officials who resigned earlier this

Mr Hn put in a good word for the resigning veterans, who, it was confirmed, would continue to receive their full salary end the perks of

salary end the perks of power.

"Those comrades who have retired have played an exemplary role in matters of historic significance, to wit, the abolition of life tenure of leading posts, the establishment of a retirement system for central leading cadres, and the reduction of the average age of the central leadership."

At o press conference after

At o press conference after At o press conference after the sitting, a party spokes-man, Zhn Muzhi, who was himself among the resigning officials, stressed that Deng Klaoping would remain in power indefinitely, and de-nied strong rumours that the Chinese President, Li Xiannian, would retire during the sixday conference. the six-day conference.

As well as oppointing reas wen as opportung re-placements for the departing officials, the conference will be asked to epprove the coun-try's next five-year economic

plan,
In e preliminary speech on the stete of the economy, the Chinese Premier, Zhao Zlyang, indicated the plan would include o further loosening of central control over individual enterprises.

An annual growth rate of 7 per cent for each of the next five years has been targeted, Premier Zhao said, while the central committee is "taking a number of measures" to curh excessive growth in in-

### How to be your own boss without giving up your job.

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time to bring it all together. That's where we, Peat Marwick, can help. We'll provide abjective guidance

on every aspect of a buy-out. From evaluating your initial proposals to advising on the negotiations and the tax implications; from introducing you to the right financing institutions (you may be surprised how bitle money you have to find yourself) to setting up the new systems you'll need to get your newly independent company off to a flying start. Let us show you how we can work

with you to turn dream into reality.

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outs' and keep me informed.

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/kmi/

defici t year

BY DAYID BROWN IN STOCKHOLM

U.S. zerospace group is seeking to renegotiate its joint venture with Saab Scania of Sweden, which builds the SF-340

regional airliner. The project has been dogged by fierce worldwide price com-petition and production delays and technical hitches which have forced several groundings.
It is understood that Fairchild, under new management, is now seeking to distance itself from the project. It acknowledged yesterday the group bas initiated "negotations aimed at restructuring the existing agree-

Following beavy investments by both groups, Fairchild is ex-pected to play a more subsidiary role—possibly as e sub-con-tractor—with the main burden of continuing operations falling on Saab Scania.

This would imply a major reorganisation of existing mar-keting and production resources. Fairchild has been forced to take a \$135m (£100m) write off over the past year due to serious atart np problems at its own production facilities which has lowed aircraft deliveries.

The group has been further hit by be threatened cancellation by the U.S. Defence Department of the Fairchild T-48

FAIRCHILD INDUSTRIES, the from the Canadian de Havilland DASH 8, the Short Brothers 360 French-Italian joint venture) and Embraer's Brasilia 120 from Brazil have forced heavy price rivalry and it is understood that Fairchild may be losing as much as \$2m per aircraft.

Saab says the break even point for the project is now "somewhat higher" than the original estimate of 200 aircraft, but declined to elaborate. Some 79 SF-340s bave been

Congress.

fears that Mr Reagan's "free trade" philosophy is about to be

swamped under an avalanche of protectionist proposals designed to put limits on imports ranging from shoes to lumber and

It is designed specifically to

belp curb foreign competition in a particular sector of U.S.

industry, rather than to improve

U.S. access to foreign markets

and is thus precisely the sort of trade bill which President Ronald Reagan has sworn to

Such is the overwhelming support for the textile bill—there are 291 co-sponsors in the

House and 54 in the Senate— many trade experts on Capitol Hill are confidently predicting that before many months, Mr Reagan will be forced to make

There are also widespread

ordered but only 30 delivered.
Profits of Saab's aircraft division dropped from SKr 150m (£13.2m) to SKr 70m last year.
Saab declined to speculate about the outcome of the forthcoming negotiations with Faircoming negotiations with Fair-child, but says it expects to play "e much more prominent role in the preject."

After 6 SKr 1bn investment,

the 34-seat airliner is one of three major projects upon which Saab's strategy for profitability in the 1980s has been based. The others are the Saab 9000 turbocharged car and the

RBS-15 missile. Under the terms of the current joint venture, Fairchild is responsible for the wings and tail section of the aircraft while Saah is producing the fuselage and final assembly. Hitherto, ainer sircraft preject. marketing and service costs Meanwhile, fierce competition have been obsorbed jointly.

## **Britain and Malaysia settle** dispute over flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT The long-running row bestart its edditional flight to tween the UK and Malaysia London next July, when the airover flights between the two line takes delivery of a Boeing countries has been settled. The two sides signed an agreement The agreement also provides

in Kuala Lumpur on Tuesday, Mr Michael Spicer, UK Avia-

a fifth weekly flight to London, and British Airways a fifth flight to Kuala Lumpur from November 1. Agreement in principle on the additional flights was reached

earlier this summer during Prime Minister Mrs Thatcher's visit to Malaysia as part of her south-east Asian tour.

Mr Chong said that, under the agreement, MAS could operate flights to London with stopovers Amsterdam, Athens and while British Alf-

September 1985

for the two airlines to fly more passengers on flights between tion Minister, signed for the the two capitals, raising the UK, with Mr Chong Hon Nyan, capacity per aircraft from 310

UK, with Mr Chong Hon Nyan, Malaysian Transport Minister, signing for his country.

Under the deal, which has been under negotiation for possibility of a sixth weekly many mouths after years of dismany mouths after y in Singapore, representatives of British Airways and Singa-

pore International Advinces met earlier this week to discuss details of the proposed flights between Manchester and Singa-pore, starting next year.

other's airports, AP reports The agreement, aimed partly at bringing more tourists to this Indian Ocean island Republic, akarta, Indonesia. of Civil Aviation in the Austrian Mr. Chong said MAS would Ministry of Foreign Affairs.

warning against a "mindless to be a natural fit now that Mr stampede" towards protection- Reagan has rejected the Interism rings in their ears, national Trade Commission's members of the House Ways recommendation that the shoe and Means Committee are industry does indeed deserve scheduled to sit down today to protection. put the finishing touches to the

Whila the textile Bill is Textile and Apparel Trade Enforcement Act 1985. unashamadely protectionist in intent. the U.S. textile intent, the The bill which is expected to industry's problems raise some become a focal point in the important questions about the looming battle between the way "managed trade" has not way "managed trade" has not been working issues which have been analysed in e recent White House and Capitol Rill over U.S. trade policy will then start its tortuous journey to study by the Washington law firm of Dewey Ballantine Bushby Paimer and Wood entitled "the textile and apparel trade crisis." The textile legislation, on the face of it, is precisely the sort of measure which has provoked

It is not primarily the issues raised in that report which account for the support the tex-tile bill has on Capitol Hill. The textile industry which with 2m employees now accounts for around one in 10 manufacturing jobs in the U.S. is, one of the most powerful business lobbies in the country.

Its strength is underpinned by the two powerful trade unions in the industry and by its wide dispersion across the country from New York to Los Angeles and the Piedmont region of the eastern seaboard, a region incidentally dear to the bearts of Republican electronal extensions as the preparate Its strength is underpinned toral strategists as they prepare for next year's mid-term elec-

The textile industry claims that it has lost some 300,000 jobs since 1980 as the total volume of textile and apparel predictions that, because of the textile bill's popularity, it will not be long before other protectionist proposals are attached to it. A Bill imposing work arms as 250 textile factories and apparent of textile bill's popularity, it will not be long before other protectionist proposals are attached to it. A Bill imposing

Or Clayton Yeutter, the U.S. Trade Representative, warned Trade Representance, warned yesterday that the pending textile quota Bill could cause the country "great griet."

Passage of the measure could destroy the international Multiture Arrange-

ment (BIFA) and could cause the collapse of the General Agreement on Tariffs and Trade (Gatt) in its wake, he

Dr. Yeutter, speaking in Washington, said President Reagan's forthcoming state-ments on trade policy would

tion in 1984 tightened up its rules of origin under the Multi-

are reported to have closed down in the past five years.

The pace of import penetration has slowed significantly
after the Reagan Administra-

Stewart Fleming on measures being considered in Washington to control textile and apparel trade

fiber Arrangement (MFA). But this has done nothing to dampen the industry's pleas for rotection.
The bill is being attacked by retailers who have seized on Administration calculations that import quotas would add \$14bn to consumer costs each year.

They have been joined by other groups who benefit from imports, transport interests for example, in arguing that although import curbs might save jobs in the textile industry, the restrictions would result in almost as many jobs being lost in other textile-import related

firms.
The bill proposes a complicated system of quota controls on imports which would hit hardest et a group of not contain any surprises. The Administration, he said, would shortly offer some trade legislation proposals or back proposals put forward by members of Congress.

These would involve some

improvements in U.S. laws against untair trading practices including greater authority to combat international piracy of U.S. patents and copyrights and other intellectual property, and authority to enter into a round of international trade talks.

exporting countries, mainly in Asia, including Talwan, South Rores, Hong Kong, China and

The quotes would cut imports back to the lesser of 1984 trade levels or 1980 trade levels plus 25 per cept for these major exporters. They would result in an estimated 30 per cent reduction in textile imports overall if the restraints on other smaller textile import-ing nations are included.

ing nations are included.

One reason why the bill appears to have the support of politicians such as Senator Robert Dole, the Republican majority leader who would deny protectionist leanings, is the widespread desire on Capitol Hill to force the President to take some of the political heat take some of the political beat for what many see as the Administration's failure to take

that textile trade preblems on the scale the U.S. faces today were never supposed to be possible.
The Multifibre Arrangement,

agreed in 1974, was suppose to permit an orderly restructuring of the world textile industry through a series of bilateral agreements between developed countries and developing countries and developing countries whose comparative advantage in labour costs was it was argued, now making them the most efficient producer of

bulk textiles.

The fact that it has not worked out like that is obvious. Why not is a question the study addresses. The report argues that part of the reason is thet economic forecasts have gone wrong. The developed world's textile markets have grown more slowly than predicted and imports heve grabbed a larger share of the market causing more disruption than anti-

cipated.
The comparative advantage stemming from labour costs offered an oversimplistic model of bow the textila industry has evolved. Highly capital inten-sive and automated production in industrial countries has helped to offset labour costs advantages outside the apparel manufacturing sector.

Avalanche of protectionism looms over Capitol Hill they did their best to defend their interests.

However, the broader issues raised by the textile bill by the Dewey Ballantine study should not get lost in the political manoeuvring.

The basic point, of course, is that textile trade preblems on their textile sectors as part of an export strategy, prepart of an export strategy prepart of an e

The report also claims that the EEC and Japan in particuthe EEC and Japan in particular have been more rigorous in their efforts to slow the flood of imports, diverting low priced exports to the U.S.

The fact that developing

The fact that developing countries have adopted protectionist policies towards their rivals has added to the distortions. For the U.S., it is argued, these trends produce a rapid erosion in the domestic market for U.S. fabric and fibre producers when many foreign export markets are effectively closed to them.

closed to them. The strength of the dollar and the weakness of the European economies obviously help to account for the fact that the account for the fact that the U.S. has been importing textiles faster than its industrial country trading pariners. But Dewey Ballantine maintains that these factors are not sufficient to explain the "massive shifts in trade flows." More important is the fact that it is simply much easier for developsimply much easier for develop-ing country producers to pene-trate the U.S. market

Even if one takes the view that the dollar has been a much bigger factor than Dewey Bal-lantine concedes the report is a plausible indictment of the existing system of "managed trade" in the textile industry. the trade issue seriously earlier this year.

Congressmen, by putting a bill on President Reagan's desk and forcing him to veto it, can go back to constituents and say imanufacturing sector.

So the assumption that the industry. It suggests that such efforts industrial country textile industrial will have to be much more tries would shrink rapidly has flexible, otherwise they can just not been borne out. On top of as easily provoke protectionist this it is argued that many developing countries have "tar-

## Japanese submit lowest bids | Goal for for Thai chemicals plant

BY BOONSONG L'TWANA IN BANGKOK Three Japanese-dominated con-sortia have put in the lowest lts \$46.14m offer, outbid seven bids in the battle to win con-other tenders in the same cate-

Corporation (NPC).

The natural gas-based Olefins complex will have a capacity of 315,000 tons of ethylene e year ders.

and 105,000 tons of propylene.
The bids from the three consortia totalled \$136.88m (£105.2m) which is substantially lower than the \$280m estimated

offsite facilities; and general civil facilities. In the first category the Japanese-U.S. consortium of

tracts for a petrochemical com-plex in Thailand. The lowest bidder for the

The complex is being built third contract was Japan's Nip-by the country's part state-owned National Petrochemical of \$7.42m.

NPC is expected to name the successful bidders at the end of the year. The project is the up-stream plant supplying feed-stock for Thailand's planned petrochemical complex on the eastern coast which is expected to be completed in 1988.

Mitsubishi Heavy Industries has won an order worth Y15bn

(£46.5m) for two power generators from Perusahaan Umum Listrik Negara, an Indonesian state-owned electric power

five other contestants. Kw, will be delivered to Sura-Ishikawajima - Harima of lawa Power Station in February Japan submitted the lowest 1989 and November 1989:

By Christian Tyler, Trade Editor THE PRINCIPLE of "mational THE PRINCIPLE of "national treatment" is likely to emerge as the main goal of global negotiations to liberalise trade in banking and other financial services, according to a report published today.

The same objective could be equally appropriate for other service industries, says Prof Ingo Walter, of the Graduate School of Business Administration at New York University.

that a government grants foreign-owned operations the same rights and duties as domestic institutions.

based Trade Policy Research Centre, Prof Walter says that

with granting national treat-

more difficult to extend the principle in countries where the entrire domestic financial system was nationalised—as in most developing countries, nearly all centrally-planned economies and in France.

But even here a role might be found for foreign con-cerns, "as the case of China shows."

Prof Walter identifies the lack of free trade in financial services in many parts of the world, arguing that restric-tions placed on foreign con-cerns are often protectionist aithough disguised as pru-

"There is no greater justification for protection, appropriately defined, in financial services than in steel, automobiles or telecommunications equipment," he says.

Prof Walter's study looks at the issue which has dogged efforts by the U.S. to get a world trade negotiation launched in the 99-member General Agreement on Tarlits and Trade.

General Agreement on Taritis and Trade.
Some developing countries, led by India and Brazil, are resisting the start of Gatt talks that would include negotiated rules on trade in services. The U.S., with the support of Britain and others, sees the services question as one of the highest priorities.

Prof Walter supports the latter case. "Countries that have a comparative advantage in this sector have a right to seek access to foreign markets seek access to forcign markets as a matter of general reciprocity, in return for access to their own domestic markets for goods and services in which they have a comparative disadvantage,"

Yugoslav order

leading department store

#### Convesco boosts European sales BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CONVESCO, the joint General ing-at an annual rate of 15,000 Motors-Isuzu marketing organi-sation, will sell 14,600 commer-cial vehicles in Western Europe this year, e 58 per cent increase on the 1984 total.

So far the company's progress has been based on sales of the Isuzu Trooper, e four-wheel-drive vehicle, vans and pick-ups from the Jepanese

group.

However, Mr M. "Raz"
Razak, Convesco's chief executive, believes the new Midi van, produced at Luton in the UK by GM's Bedford subsidiary, could be very successful in Italy and France. He expects another 25 per cent increase in total Convesco

wehicle sales in 1986.

He predicts that the Midi, based on the Isuzu WFR van and using Japanese engines, transmissions and other parts group has owned 34.2 per cent dealer network while the Japanese engines.

to 20,000 in France and Italy within two years.
Imports of built-up Japanese vehicles to those countries are almost totally excluded by various protectionist arrange-ments but the Bedford Midi vans are counted as "Euro-

Convesco was established in October 1983. General Motors, the world's largest automotive group, owns 51 per cent and Isuzu 48 per cent. Between them the companies put up \$1m (£769,000) to establish the arganisation with a head. , pim (£769,000) to establish the organisation with a head-quarters at Russelsheim in West Germany, not far from GM's car manufacturing subsidiary, Opel,

The links between the account of the various countries.

Last year Isumi produced 843,721 commercial vehicles. Its higgest export market for commercial vehicles is China where it will sell 40,000 this sell 40

The North has proposed first

to set up the committee system

and then to allow further negotiations in that forum at a "working level."

South Korea is suspicious that North Korea wants to use

the committee system principally for show purposes, with-out actually achieving any meaningful economic exchange.

The South has also proposed a far simpler committee system than the North, which wants to establish six sub-committees

estanish six sub-committees under main committee. The South wants only two committees, one for trade and one for joint ventures.

Convesco's objective is to sell Convesco's objective is to sell suru commercial vehicles and those from GM's Bedford subsidiery side by side through dealers selected from the 6,500-strong Opel car dealer network in Europe.

Mr Razak says Convesco's intend to offer Isuzu beavy trucks on European markets within a few years and the

"type opproval" (technical) tests will be required in the

within e few years and the company is examining what

least 60 per cent measured by has the option to take its stake ex-factory value—could be sellto 43 per cent.

| Content of at the option to take its stake around 5.000 light commercials through its own outlets.

## Two Koreas make slow progress on trade pact

BY STEVEN B. BUTLER IN SEOUL

NEGOTIATORS FROM North and South Korea yesterday met in the truce village of Panmunjom and failed to make substantial progress toward an agreement.

The North has proposed an The North has proposed first agreement on economic co-operation and trade.

Meeting for the fourth time since November, delegations from the two sides each tabled draft agreements that were closer in language than similar proposals presented in June. The proposals failed, however, to bridge some fundamental differences in approach.

The two sides have agreed in principle to set up a committee structure headed et the Vice-Premier level, but South Korea wants the committee to function strictly as a body that will implement trade and co-operative agreements.

Before establishing the committee, the South wants the North to agree to a list of commodities for trade and areas for joint venture-co-operation. The

#### World Bank to aid Ivory Coast project

THE International Finance Corporation (IFC), the World Bank arm providing long-term private-sector finance, is to help develop the Ivory Coast's off-shore gas reserves.

This was revealed by Sir William Ryrie, IFC's director-general, after talks with President Houphouet Boigny in Abidjan. "We have offered to belp conclude negotiations be-tween Phillips Petroleum and the Government and to participate in financing the development of the Foxtrot gas field." Sir William said.

The Foxtrot field is on the B1 block of Jacqueville, 40 kms west of Abidjan. Recoverable reserves are conservatively estimated at some 300bn cubic feet. The gas would be piped to Abidian and initially used to generate electricity.

Energy, with agro-industry, is a key sector in the IFC's efforts to double investments in Africa to \$600m during its five-year programme to 1989.

#### Finland seeks full Efta membership By Olli Virtanen in Helsink

FINLAND has applied for full membership of the European Free Trade Association (Efta) after baving been an associate

member for 24 years.
Finnish officials explained that the move would mean mormalisation of the present situation." The timing coincides with Portugal resigning from Efta and joining the European Community.
Finland negotiated on joining

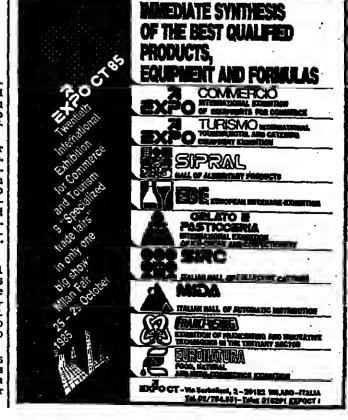
Efta in the early 1960s but the Soviet Union objected to a full membership and a concept of Finn-Efta was created.

It grants Finland most of the

association's trade benefits but enables the country to be dis-tanced politically. At the same time Finland negotiated a simi-lar agreement with Comecon, the Soviet bloc's trade associa-tion

tion.
"There are no similar foreign The North Korean delegation declined an invitation to try to work out final differences in an afternoon negotiating session. The two sides agreed to meet again on November 20.

"There are no similar foreign policy considerations," says Mr Jermu Laine, F. nland's Foreign policy considerations, says Mr Jermu Laine, F. nland's Foreign policy cons



The Seychelles and Austria have signed an air services agreement allowing their national carriers to fly to each

ways would be allowed to fix to James Ferrari, Seychelles' prin-knala Lumpur through Bang-kok, Deppasar in Bali and and Mr Erich Binder, director five other contestants.

This announcement appears as a matter of record only.

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(New York Branch)

HESSISCHE LANDESBANK - GIROZENTRALE

(New York Branch)

Agent

CARIPLO

Cassa di Risparmio delle Provincie Lombarde

(New York Branch)

by the Thai corporation.

Tenders are basically divided into three categories: construction and engineering of the plant; construction of storage

Lummus Crest put in the lowest The two dynamos, each bid of \$83.32m. There were capable of generating 400,000

## free trade in banking identified

University.
"National treatment" means

Centre, Prof Watter says that with appropriate safeguards "this principle can fally provide for the legitimate concerns addressed by prudential controls and the tools of monetary policy."

A country's adoption of dirigiste financial policies is not necessarily incompatible with creating pational treats.

ment, he says.
However, the author admits, it would be much

dential measures.

"There is no greater justi-

Me says.

Beriers to Trade in Benking and Financial Services, by logo Walter: Trade Policy Research Centre, 1 Gouth Square, London, ECAA 3DE; 65.00.

ICL wins £1m

ICL, the UK computer group, has wen an order worth more than film for computerised retail systems from Robus Kuce Beograd, Yugoslavia's

## **IMF** forecasts slower growth in developing world

slowdown in economic growth in the developing world next year, a shift which will add to unease about the world debt situation at the annual meet-ings of the IMF and the World Bank in Seoul, South Korea.

Earlier this year in its April world economic outlook the IMF said it expected real growth in the developing world in 1985 of 4.0 per cent and in

But amid signs of slower economic growth in the in-dustrial world this year and continuing uncertainties about continuing uncertainties about the outlook in 1986, particularly for oil prices, the IMF will be projecting growth rates of 3.6 per cent for 1985 and 4.1 per cent for 1986 in the latest version of its world economic outlook which will be released next month, officials confirmed. Part of the explanation for the gloomier projections for developing countries lies in the IMF's expectations of only moderate growth for the in-dustrial world.

For 1985 the IMF has revised

THE International Monetary down its real growth forecast Fund is projecting a significant for industrial countries from slowdown in economic growth the 3.1 per cent projected in in the developing world next April this year to 2.8 per cent, year, a shift which will add to the much slower growth in the U.S. being a major factor.

In April the IMF thought the U.S. would expand et an annual rate of 3.4 per cent this year; now it foresees only 2.6 per cent. Next year, however, it is assuming some revival in U.S. growth as the drag on the domestic economy from rising import penetration subsides.

An annual rate of growth of 3.3 per cent is now assumed for the U.S. rather than the 3.0 per cent it forecast in April.

These projections are considerably below the Reagan Administration's official projections of 3.9 per cent for 1985 and 4.0 for 1985.

As worrying as the actual projections for tha world economy which imply a deterioration in the economic background to the world debt situation, is the uncertainty which surrounds them, particularly as they relate to the U.S. This is something IMF officials are likely to stress in Seoul next month.

## Brazil optimistic on deal with IMF by end of year

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL MAY be able to reech an agreement with the International Monetary Fund on a new ansterity programme by the end of this year, Sr Dilson Funaro, the Brazilian Finance Minister, said in Washington

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Speaking after a meeting with M Jacques de Larosiere, the IMF managing director the first direct contact with the Fund for the recently changed Brazilian economic team — Sr Funaro said there had been "an important approximation" between the

two sides.
Without entering into details, he indicated that the IMF chief was broadly receptive to the Brazilian insistence on main-taining a gross domestic product growth rate of 6 per cent by mid-January, when the cur-over the coming year. rent 140-day standstill expires.

In a note of cantious opti-mism the Finance Minister confirmed earlier reports that Brazil was seeking a longer adjustment period for meeting IMF targets of two or threa years, compared with the cur-rent plan for a twelve month

Technical level discussions with the IMF are to continue in Washington over the next few days. Further high level con-tacts will be deferred until next month's annual meeting of

the IMF in Seoul.

Agreement with the IMF before the end of the year is vital if Brazil is to maintain its present timetable with its commercial bank creditors. An improvement covering future debt agreement covering future debt principal payments is necessary

### **Payments to Costa Rica** on SDR 54m loan halted

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Sten (£2.98bn) and is engaged in the delicate task of refinancing two floating rate notes totalling \$70m in the Eurobond market.

Bankers say the IMF move will also have the effect of

will also have the effect of blocking payouts on the \$75m credit agreed earlier this year by commercial bank creditors

First International Monetary
Fund has halted disbursements
of its SDR 54m (£41m) toan
to Costa Rica because of its
failure to meet a targetted
schedule for the reduction of
debt service areas to commercial banks.

The IMF's decision comes at
a difficult time for Costa Rica
which has total debts of about
and the beautiful time for Costa Rica
which has total debts of about
which has total debts of about However, it was not clear yesterday what the impact would be on the bond refinancing exercise. Bond holders have to reply by September 30 to a Costa Rican offer to exchange old bonds for now on terms that are comparable with those on its

### U.S. farm bank system 'may need aid soon'

THE FEDERAL Farm Credit System may need to be rescued earlier than had been expected, Mr Donald Wilkinson, Governor of the Farm Credit Administra-tion, said yesterday, Renter re-ports from Jackson Hole,

"We might have to use the system's resources more rapidly than the 18-to-24-menth period I've been indicating, Mr Wilkinson said. He added that the nation's farm economy had deteriorated so rapidly that his projection may have been too nptimistic.

nptimistic.

Directors and presidents of the 37 banks in the syste mhave agreed this week to ask Congress for financial aid.

Mr Wilkinson said he agreed with estimates by the Farm Credit Banks' staff that loan losses throughout the system were likely to exhaust all the reserves in 18-24 months.

Because of those projections, he said he was already talking with Administration officials and Congressmen about aspects of e

contingency financial aid plan. He edded that these plans had to be completed within two to three months i norder to leeve adequate time to put the

plan into effect.

"It would be a serious mistake to require the banks to use np all of their resources before stepping in," be said.

Mr Wilkinson said the financial aid plan he will present to Mr Wilkinson said the financial aid plan he will present to Congress in early October will be aimed et belping banks within the Farm Credit System and provide some belp to commercial bank lenders.

Mr Wilkinson said the aid plan he was developing called for the establishment of a quasifiederal agency to purchase non-

Federal agency to purchase non-performing loans from banks. The plan calls for the new egency to package soma of the non-performing loans for sale into public credit markets as Because of those projections, he said be was already talking guarantee that the federal with Adminstration officials and Congressmen about aspects of e

### U.S. accused of trying to overthrow Sandinistas

yesterday that evidence before the World Court showed that the U.S. Government con-ceived, created and organised ceived, created and organised a mercenary force to overthrow the Nicaraguan Government. Reuter reports from the Hague. Professor Abram Cheyes of Harvard Law School was summing up evidence given by six witnesses for Nicaragua during bearings at the International Court of Justice on a Nicaraguan complaint of U.S. military aggression.

the bearings, which are the first since Washington with-drew from the proceedings last January. It accused Nicaregua of misusing the 15-judge court for political and propaganda nurposes.

Prof Cheyes listed eight central propositions based on evidence presented to the court since hearings hegan last thursday. He said they show that U.S. ections were aimed at destabilising the Nicaraguan Government in violetion of

## **World Bank**

launches participation loan plan

THE WORLD BANK is launching a pilot programme selling loan participations to financial institutions to try to make better use of its limited capital resources and tap a broader segment of the world's financial markets for

The programme, announced by the bank yesterday, involves the sale of about \$300m (£223m) in participa-\$300m (£223m) in participa-tions in loans with maturities ranging from six months to 12 years. The aim is to sell the loans in German marks, U.S. dollars, Dutch guilders and Swiss francs at competi-tive yields. But the World Bank plans to retain its status as lender of record and to retain a stake in the loan. The effect of this is to offer

investors a loan with the World Bank name attached to World Bank name attached to it, but not with a World Bank guazantee. As a result the bank's capital is not tied up backing the lean and the proceeds of the sale can he re-lent, thus expanding what the hank likes to describe as its "catalytic" role.

The bank will initially sell participations in loans to 15 developing countries.

Jimmy Burns visits the home town of Argentina's President Alfonsin

## 'Raulito' before the razzamatazz

europeans have the chance this week to glimpse the circus of private secretaries, body-guards, businessmen. Government ministers and camera crews who accompany Sr Raul Alfonsin, the Argentine President of content to the content of dent, on every state occasion.

The presidential show during Sr Alfonsin's official visit to West Germany and France has all the usual razzamatazz—with the man inseperable from his office. But 10,000 miles southwest of Paris in his home town of Chascomus, the President is remembered more for what be was than what he has become.

Inhabitants of the small lake-side town (pop: 30,000) in tha midst of the Argentine pampe this week appeared impervious to the media's trumpeting of Sr Alfonsin's European trip beamed nationwide on prime-time state teleption time state television.

"We're a small conservative provincial community. We like provincial community. We like our social reunions, our walks by the lake. We keep to ourselves. Whet happens to the President in the outsida world does not affect us," says Sra Alicia Lahourcade, a local historian.

In Chascomus, "Raulito," is remembered as the affable but disorganised lawyer who preferred card games, dancing and politics to the courts, and whose personal finances were so chaotic that he usually survived by borrowing money from



mus supporters watch as their local-boy-made-good

Buenos Aires, in 1958, his political career has revolved around the capital. But he bas maintained personal links with Chascomus. The occasional return of Raulito to his fold has assured extra kudos for the President.

Last month, on the nationally celebrated "dia del amigo" (day of the friend), Sr Alfonsin chose to embrace his home town. Temporarily freeling himself from the Presidential entourage, he made an impromptu visit to a friend'e

Since Sr Alfonsin first ran local rowing club and joined a successfully for the provincial communal party that was diglegislature of La Plata, nearer ging in to the local staple communal party that was dig-ging in to the local staple "diet" of barbecued rump steak and freshwater fish.

> He would probebly shun the comparison with Britain's Prime Minister, his diplomatic enemy number one, but there is some-thing of Mrs Margaret Thatcher's style in Sr Alfonsin. He finds it politically expedient on occasions to show the nation glittering beckground.

The local opposition graffiti protests the nepotism of Sr Alfonsin's presidency — which has as its core an inner circle bouse, danced a tango in the of friends and relations - but it

has yat to come np with concrete evidence of corruption.

On the contrary, the most striking aspect ebout Cbascomus today is its ceutious conservatism. The local newspaper, Effargentino, has devoted pages to criticising the legal aspects of the junts trials, and explaining the electoral pletform of the ceotre-right coalition in a generally favourable light.

"We were promised natural

"We were promised natural gas for all the bouses and an gas for all the bouses and an extension of the railways line by the Government. But we can wait. We know we have to pull our belts in to get the country through," comments Sra Nini Bonito, a local Alfosinists.

The town's economic difficulties however, are common to the rest of the country. Stagnation in the months following Sr Alfonsin's election forced the closure of a local textile and metallurgical factory

Chascomus has fallen back on it traditional life savers, the land, the vast prairie surround-ing Chascomus and its lake pro-vides a natural pasture for cattle, but farmers here as elsewhere in Argeotina complain about inadequate prices

The town is a sad reflection of a more glorious past. Chascomus grew in the last century thanks to the agricultural export-led economic boom that mede the pampa the "granary of the world," and the British the most successful merchant in Latin America.

This covers local demand and leaves a small surplus for export.

Under previous contracts, the companies banded half the oil to Petroperu free of charge and sold the balance at international prices

Petroperu to cover foreign oil group costs

By Doreen Gillespie in Lima

PERU'S state oil company, Petroperu, is to pay a fee to cover production costs of the three foreign oil companies whose contracts were rescladed by the Government last month and who say they bave run out of money to cover expenses.

The fees will total about \$610,000 (£436,000) a day, approximately half the amount Petroperu previously bad been paying to buy oil from the

The state oil company had stopped payments after contracts were rescinded on August 28. The new arrangement will remain in effect until fresb contracts are signed with Occiden-tal Petroleum Corporation of Los Angeles, Belco Petroleum Corporation of New York, and the consortium formed Occidental with Bridas Buenos Aires.

The companies produce an average 123,000 barrels per day. which is about two-thirds of total output of 190,000 b/d. This covers local demand and

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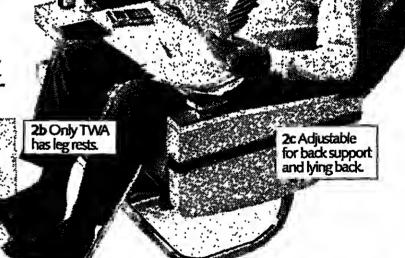
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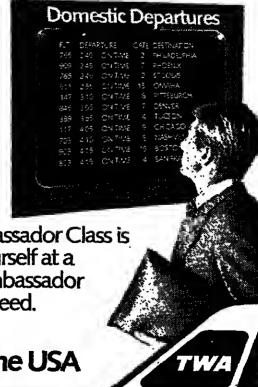
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## **Employers** reject pensions reform

By Eric Short

PLANS to end the state earnings related pension scheme (Serps) in favour of personal and company pensions from April 1987 have been rejected by the Confederation of British Industry (CBI), the employ-

Rejection of proposals unveiled last June by Mr Norman Fowler, Social Services Secretary, by the most influential body of business opinion in the country, will be seen as a warning to Mr Fowler. He is al-ready weighed down with subwho have attacked the plans saying that practical problems will make it impossible to implement them.

Outright opposition of the Trades Union Congress, the only body yet to formally make a response, is already widely known.

The CBI said it opposed the Serps proposals because they would inase costs for employers, create inadequate pensions provisions for employees and cause instability in the pension system.

The weight of the CBI's views could well make Mr Fowler think again. At least that is the hope ex-pressed by Sir James Cleminson, CBI chairman, who pointed out that the matter had aroused deep con-

need for full public debate and conmake the changes.

As an organisation that collects, sorts and delivers almost half a million parcels a day, Federal Express knows all about

## in industry rise by 91/4%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RISE in average earnings in manufacturing industry has accelerated to an annual rate of 9% per cent, which is more than twice the rate of inflation envisaged in government plans for next year.

Latest figures from the Department of Employment yesterday are certain to increase the Government's anxieties about the wase round which starts this month and about prospects for unemployment.

Mr Nigel Lawson the Chancellor of the Exchequer, has repeatedly given a warning that hopes of re-ducing the number of unemployed now 3.2m - will depend to a large extent on whether wage settlements become more moderate.

Yesterday's figures, however, show that the average annual rise in manufacturing earnings in July was 9.6 per cent. After allowing for distortions, it is estimated that the underlying rise was 9% per cent compared with 8% per cent in the spring and 8% per cent at the turn

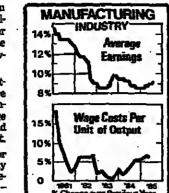
These figures compare with an inflation rate of 6.3 per cent in August, and an annual rate of 4% per cent officially projected for this time next year.

The annual rate of increase of wages and salaries per unit of man-ufacturing output (unit costs) rose sharply in July to 7.9 per cent from cern among CBI members.

The CBI is also highly critical of the timetable put forward for changes as totally unrealistic and dangerous. It feels that there is a proof for full wilding debate and the control of the co

This is much faster than in most sultation on all the strategic options industrial countries. In West Geravailable to the Government to many and Japan where productivity gains have outstripped wage

# Average wages



ises, unit costs have recently been

sures shown in the latest figures follows a warning from the Confederation of British Industry (CBI), the amployer's organisation that wage claims have been rising recently and some evidence from recent surveys that the level of pay settlements has been drifting

CBI surveys have also suggested that manufacturers are not intending to pass on the increase through rated price rises. Instead, it appears that they hope to contain costs by continuing to replace workers by machines and so raise ctivity.

The Government may take some comfort from the fact that yesterday's figures showed a very small ing industry in tha three months to July compared with the level in the previous three months. However, officials are gloomy about future employment prospects if earnings continue to rise at the present rate.

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## Unions seek over 6% for 1m workers

By Our Labour Staff

ENGINEERING unions yesterday lodged demands for a "substantial" pay increase for about 1m workers employed in Engineering Employ-ers' Federation (EEF) member companies.

Unions have yet to put a precise figure on the demand but Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and En-gineering Unions, has said he would be looking for an increase above 6-7 per cent."

When the REF responds to the claim, it is almost certain to empha sise that its member companie have been making relatively low agreements recently. The median settlement over the summer months has been 6 per cent, with only 16 per cent settling above 7 per

The unions are also claiming the adult rate of pay for workers at age 16 and overtime payments to be calculated on the basis of pay rates set

The claim excludes the customary demands on hours and holidays, because they are being dis-cussed in a separate negotiating committee. This was established when the employers responded to last year's claim for a 35-hour-week with radical counter-proposals for more flexible working practices.

It is understood that the employers have tabled proposals for a framework agreement on hours and flexible working. The idea is that the national agreement would specify a list of changes in working

worldwide business. As a wholly British company we now command 40% of the world airline market for flight simulators

with over SIVE of production going for

Peter Riddell reports on the Liberal assembly in Dundee **Parties** 

## Alliance boosted by large poll lead over Labour and Tories

paring for government

gress the week before.

liance has moved into a large opinion poll lend over both Labour and tha Conservatives, further boosting the confidence of its leaders after is not entirely surprising after the their two successful conferences.

their two successful conferences. A Gallup poll in today's Daily Telegraph puts the Alliance's support at 39 per cent, its highest rating since the heyday of its formation in 1981. This compares with 29.5 per cent for Labour and 29 per ent for the Tories.

The poll was taken after the SDP annual conference in Torquay last In a previous Gallup poll a month

ago the Alliance stood at 34 per ent, compared with 40 per cent for Labour and 24 per cent for the To-

News of the poll became known at the Liberal assembly in Dundee, Scotland, yesterday evening after a day in which Liberal activists had

desire for unity in a debate on pre-

which was in contrast to the heckling he faced when he addressed the Liberal assembly two years ago. Dr Owen was careful to deal with An increase in the Alliance rating the activists' susceptibilities, praising the decentralist emphasis of

favourable publicity given to the Liberal policy. His theme was that SDP conference last week and the the Alliance now filled a vacuum, divisions at the Trades Union Conhaving attracted the vast majority There have, admittedly, been sharply differing figures in recent of previous Labour supporters who had voted Tory in 1979 or 1983. He said the Alliance's first task was to polls, though: the result underlines seek and hold that vote. the three-party nature of current British politics. The figures will be seen by Alliance leaders as

He repeatedly referred to the need for the Alliance to create a strengthening their strategy of gaining credibility as a contender for power at the next general sense of national unity and said that, if unemployment could be brought to a declining trend, the whole climate in Britain would sud-

The figures are also uncomfor-Dr Owen defended his stance of table news for Labour leaders, espe-cially as the party faces a difficult, and possibly divided, conference in talking about the balance of power, since he believed this realis increased the Alliance's credibility

and boosted public belief in the pos-sibility of an Alliance government.

decline caused by the other two par-

ties became irreversible. He urged

delegates to accept the joint leader-ship of the Alliance by Dr David

Mr David Alton, a Liverpool MP,

dismissed calls for a single Alliance

leader. Politics would in future re-

quire co-operation between parties

and it would be dishonest oot to

Mr Alan Sherwell, a member of

the oational executive, said there

were serious reservations among

party workers about tha way in which joint policy was being formu-

Owen and Mr David Steel.

face the test of credibility

CREDIBILITY is the name of the game in our new politics. You prepare for government by acting like a government in the day-to-day decisions of opposition." said Dr David Owen, the Social Democrat leader, on the eve of the Alliance conference season nearly a fortnight ago.

Judged by this yardstick, the Lib-erals and Social Democrats now do appear much more than parties of protest. Yet they still have a long way to go to appear a "credible" alternative govern-

There is certainly a sense of responsibility and serious mindedness absent from Liberal assemblies in the past. The group of boatrockers, previously described as individualists masquerading as Liberals, is now limited to a couple of dozen young Liberals, as was shown yesterday both in the warm reception given to Dr Owen and in the tona of the lively debate on preparing for gov-

Attacks on the leadership received a hukewarm response, though there was some sympathy for Mr William Wallace after the somewhat heavy-handed treatment he received after the leaking of his paper on the inadequacy of Alliance preparations for govern-

The most vivid illustration came when Mr Des Wilson, the longpaigner, talked almost in a language of a Labour Party boss in urging delegates to accept com-promise and democratic deci-sions on Alliance policy and then

The key to the change in mood is probably the success of the Alliance in May's local elections. Ms Maggie Clay, the organising sec-retary of the Association of Liberal Councillors, argued that something fundamental had bappened to the party - following the local elections it believed it could win. She argued that these councillors could contribute significantiy to the preparations for

This argument should not be taken too far since council politics is very different from Westminster bowever good, often do not adjust to the House of Commons.

The other strand in the "credibility" debate is Mr Wallace's argument that the Alliance, with its limited experience of government, needs to do much more to learn how to deal with Whitehall. This is similar to the debate among Labour politicians before that party's 1964 victory.

The Alliance can capitalise on the Cabinet experience in the late 1970s of a few SDP leaders, but otherwise many of its spokesmen lack authority, particularly on major economic and internation-

For all Labour's problems, its shadow Cabinet still bas more plausibility as an alternative government than the Alliance.

## day in which Liberal activists had given Dr David Owen, the Social The new mood among Liberal activists was highlighted by the Joint election strategy planned

BY KEVIN BROWN

THE LIBERAL PARTY yesterday mmitted itself to the closest poswhile relationship with the Social Democratic Party, including joint tion campaign office by next Januapolicy formation, in the run-up to the next general election.

Delegates from all sections of the party endorsed the Alliance strategy and pressed for closer co operation at all levels. In marked contrast to previous Liberal assemblies, there was virtually no criticism of the Social Democrats.

Speakers who pressed for an end to joint leadership of the Alliance found little support, as did a del-egate who attacked the performance of the successful Liberal byelection team as "illiberal, hypocri tical and downright dishonest."

Delegates voted overwhelmingly national executive, said the Allifor a resolution calling for the establishment of a joint Alliance elecry and urging a sharper presenta-tion of Alliance policy. Opening the debate, Mr Viv

Bingham, a former president of the party, said the Alliance had to aim for outright victory at the next gen-Mr Andy Ellis, the acting secre-

tary general, said the general elec-tion campaign was on the political agenda immediately. He called for more joint policy development, better training of party activists and more campaigning on issues at all

## Economic policy to tackle unemployment

structure development emerged stitutions. yesterday as the probable centrepiece of Liberal economic strategy for a staintory body along the lines for a incoming Alliance govern- of the U.S. Securities and Exchange

Public capital spending would be London backed up by tax incentives to pro- LOCAL authorities leaving propmote private industrial investment,

an expanded training progamme and a statutory incomes policy. The programme appeared yester-day as the core of a draft resolution on economic policy produced by a working party on the regeneration

The resolution, which will be deever, that unemployment is regarded as a dangerous source of so-cial instability and will be the focus based on need.

A CALL for the replacement of

of Alliance economic policy. the European Monetary System in order to stabilise exchange rates and international action to ease the and international action to ease the

Third World's debt crisis. based on conservation and environ- Department of Education and worker participation in industry governors,

A CRASH PROGRAMME of infra- and decentralisation of financial in-

There was little support for calls n to regulate the City of

erty empty for more than three months should be obliged to make it available to those willing to use it, conference agreed

Delegates in the debate on hous-ing rejected the inclusion of private property in such a policy.

Mr Simon Hughes, a London MP. bated tomorrow, is deliberately short of detail. It makes clear, how determine the housing policies of garded as a dangerous source of so the country. Policies should be

Some specific measures are recommended in the resolution. They include full British membership of rejected by delegates.

Third World's debt crisis.

Proposed policies ranged from inThe emphasis is on developing an tegrating the present system of "alternative" economic strategy training and education under a new mental protection and stressing Training to more training for school

## Reuters starts new service

BY CHARLES BATCHELOR

REUTERS, the international business information group, yesterday launched a new service which allows subscribers to compare quotes for a range of international stocks of international stocks.

This is a prelude to the creation man Sachs, Robert Fleming and Sun Hung Kai Securities.

A further 17 market makers allowed supplied by competing securities of SEAQ, the stock enchange automated quotations system, which is also expected ultimately to develop into a dealing system.

The introduction of Renters new composite pages is the first step towards the development of a dealing system.

Reuters has begun with 66 composite pages by a stock exchange ban on co-operation with the composite pages in Canadian, Japanese, butch, U.S. and South African stocks, but expects to increase this to about 150 pages very soon.

Thirteen banks, securities dealing international stocks.

The stock exchange has been up-

## Raleigh launches 'electronic' bicycle

"EVEN THE COLOURS are loud," boasts 'II Raleigh of the Vektar, its new electronic hicycle launched in London yesterday. Retailing at about £200, the Vektar Electronic bicycle is equipped with a three-station radie and a simple computer and display which shows speed, distance covered and the time. In place of a bell, a sound synthesiser offers a wide assortment of howls, blips and wails,

"Output is only about 0.9 watts," says Mr Rob Mills, marketing manager. "So it's quieter than a motorbike." The bicycle is available for about £50 less with only the cas-

ing for the electronics in place. The electronic accessories are also available in kit form. Raleigh, the loss-making sub-

sidiary of the TI engineering and appliances group, claims the hicycle is the first of its kind in the

It is planning to start expects to the Netherlands, Belgium, West Germany and the U.S. in the single production line at its Nottingham plant is fully occu-pied in meeting UK demand for

A touring trade show has led to 20,000 orders, according to Mr Bob Ing, managing director, and offers of delivery had to be re-stricted towards the end of the trip because production capacity was being outstripped. The bicycle is aimed specifical-

ly at boys between seven and 12 years old. The company hopes to revive sales in a sector which has faded badly since the BMX and

and similar cycles have hit sales, which have fallen sharply from the 700,006 annual peak reached in 1983-84. Overall UK cycle sales last year fell 7 per cent and imports continued to erode Britmanufacturers' market.

Raleigh lost £4.5m last year, compared with £2.5m in 1983. The Vektar is not designed for stunts. It has three-speed gears, mudguards, reflectors and other characteristics of a traditional

The company, expecting a rash of similar bicycles from other manufacturers next year, is confident that it can maintain a lead in the market. "There may be me-too bikes, but they are going to look it," says Mr Mills. Baleigh has been working on devel-opment and tooling since 1961,

That's why, after the most exhaustive worldwide evaluation, it's just ordered a its fleet into Europe.

By the and of the year, from its Brussels hub. Federal Express will be operating Our order book currently stands at almost £150 million and our success has \$14 million flight simulator package in been achieved through an uncompromising commitment to technology combined with It includes a full flight simulator for the Boeing 727 aircraft and a cockpit procedures simulator for the DC10. Both the best delivery record in the business. And that includes a In the past six years alone we've won Queen's Awards for Export and Tochnology, two Design Council awards and, in 1982, the Duke of Edinburgh's personal prize for the most outstanding achievement in British industrial design. daily flight into Britain. For Rediffusion, this will incorporate the very highest level of simulator technology and will be the first in the world to be configured around a revolutionary latest order confirms its leadership in new computing system competitive For a copy of our corporate profile please contact our Public Relations SCI-Clone/32. SCI-Clone/32 has been developed by Gould Computer Systems, from a Rediffusion department. design concept, and is set to establish a new computing standard for simulators well into the 1990s. When installed, the new simulators will be used to train pilots operating the 70 strong REDIFFUSION REDIFFUSION SIMULATION LIMITED

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for the "Second Marché" to be recognized as one of the most brilliant financial successes of recent years.

Certainly the much needed revitalization of the french financial market was an important factor.

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#### Well conceived:

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access to the "Second Marché", and its functions are governed by simple regulations which makes it a flexible and innovative tool, responding to the real needs of the companies, individuals and institutionnal investors.

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all those who worked together for two years and a half
to put the "Second Marché" on its feet, to develop it,
and make it function deserve much credit.

We thank the companies who have come to us, those who will come,
their partners, banks, brokers, and advisors,
and all those who contributed to make these efforts known
and helped us get off to a good start.

## Compagnie des Agents de Change

The "Second Marché": it makes it's mark.



## Tug-of-war for Liverpool's purse strings

Government and Liverpool has been building up for months and there is now the real possibility that the city will become both bankrupt and ungovernable this autumn

The battle being waged with increasing intensity, began over the the joint shop stewards committee ment should exercise over local au- ers from next Wednesday, but what thority finance, but it has now de- could prove decisive in forcing a veloped into a test of strength of a change of mind on the council lead-single left-wing led authority to de-ership is the scale of support the feat the objectives of a Conserva- strike receives.

simply cannot afford to lose but nne which Liverpool's leaders still be- the next few days to back a stop-

city's finance and strategy commit-tee like Mr Derek Hatton, the leftwing deputy leader and other La-bour colleagues, believes that the thorisation to pay wages beyond city will not only win its latest bud-September 30. get battle with the Government, but will sweep to power in council elecintends to continue the ambitious spending programme that has already seen the construction of 3,600 have to be funded locally. new corporation homes in a city notorious for its poor housing condi-

But despite the rhetoric emerging transfer £27m earmarked for counfrom Liverpool's grandiose 19th cil house maintenance and repairs. century municipal buildings this week, there are signs that the crisis could be resolved by the council be-sures might become so great that ing forced to abandon many of its the option might have to be taken ambitious schemes in order to re- up and the crisis averted, at least lease desperately needed cash.

A period of chaos is now inevi-

Nicholas Bunker and Richard Evans explain how the Thatcher Government became embroiled in a municipal budget conflict that it cannot afford to lose

Privately, some union leaders It is a conflict the Government predict that no more than 10,000 of the 30,000 workers will vote over eve they can win.

Mr Tony Byrne, chairman of the would have to be found to pay employees who continued working beyond the end of the month. As it

Mr Kenneth Baker, the Environment Secretary, has already rejecttions next spring. He says that he ed a request from Liverpool for a £25m loan to tide it over the next few months, so the wages would

Mr Michael Reddington, city treasurer, reported to councillors 10 days ago that it would be feasible to Such a move has already been rejected by Mr Byrne but the pres-

A period of chaos is now ineviThis is the course that Sir Trevor missioners to run the table following the call this week by
Jones, leader of the city councils of the local authority.

issue of the control central govern- for an all-out strike of council work- to take. He believes the Labour leadership and its union supporters have been struggling from one crisis to another in the hope of eventu-ally being bailed out by the Government, but that sooner or later they will be forced to agree to transfer

> It is also the option Mr Baker would like to see adopted by the council, given that the alternative of increasing the rates to meet the deficit would entail an even more humiliating climbdown.

Ministers and officials are understandably wary about predicting what might happen in a situation that changes almost daily and where they are anything but privy to the arcane tactics of Labour's in-

Whitehall is that the ball is more than ever in Liverpool's court and it is up to the local councillors to sort out the mess they have got them-

There are no plans to send in troops to provide essential services - Mr Hatton and other leaders have said they intend to keep these going despite the strike - and certainly no intention of sending in local commissioners to run the city in place

This is seen as a move of last resort that would require special legislation and if necessary the re-call of parliament. Local services would have to degenerate to an alarming extent before it would

even be considered. The problems have arisen because the council refused to belance its budget for 1985-88 in protest at ernment cuts in grant in the current and previous years. The council set a budget of £265m (in June) but levied only a 9 per cent rate (lo cal property tax) rise. After grant penalties for overspending govern-ment targets, this left e deficit of more than £100m.

In a move given little publicity at the end of July the budget was re-duced to £255m bringing the deficit down to about £80m because of the way grant aid operates.

The Government has been paying grant due on the council's budget since the start of the financial year but at a rate assuming a budget at the Government's target level of £222m. Penalties for having a substantially higher budget means that grant payments will shortly dry up.

Treasury officials calculated at the time of the June budget that the city would run out of money to pay wages around December 18, and would therefore be forced to issue

90-day redundancy notices to all staff three months in advance. Such a move was prevented on Monday when council shop stewards occupied the Town Hall to stop councillors attending the meeting to approve the redundancy notices This has brought the crisis much

An alternative left to the council would be to use wages saved during an all-out strike by council staff to finance itself untill the end of the year. But, one senior council union official said: "It would be totally wrong to imagine that a majority of council workers in any union is actually going to support a strike."

The two teachers' unions, the NUT and the NAS/UWT, each representing about 2,500 teachers, has already rejected the joint shop stewards' committee's call for an indefinite stoppage. Informed sources say that Nalgo, tha local govern-ment union's 6,200 members will also vote against industrial action at a mass meeting planned for next Tuesday.

Even e stoppage confined to the 9,000 General Municipal and Boilermakers' Union members in the council workforce might bring the city's services to a halt because of their control of crucial positions.

Some council union officials admit that there is considerable confusion and uncertainty regarding the council's strategy among Labour supporters in the city in spite of firm opposition to the Conservative Government's local government spending policies.

## European Court of Justice to rule on oil export restriction

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT, IN LUXEMBOURG

months, the British Government policy." will appear before European judges to defend a policy formulated by a

In June the forum was the Human Rights Court in Strasbourg, where government lawyers argued in support of the 1977 Aircraft and Shiphuilding Industries Act, e nationalisation measure passed when Mr Tony Benn was Labour's

Today the venue is the European Court of Justice in Luxembourg, where the issue will be a 1979 policy statement - by Mr Benn, then Energy Secretary - effectively banning the export of North Sea oil to Israel. The policy has been adopted by the present Conservative Govern-

The question which the court has to decide is whether the ban is valid under EEC law, given a pre-existing free trade agreement between the EEC and Israel.

The matter has been referred to Luxembourg by the London High Court, which decided that it needed guidance on the application of EEC law to enable it to decide a dispute between nil companies.

In 1981 Sun Oil Trading agreed to sell North Sea crude to a Swiss oil trader, Bulk Oil (Zug), under a contract including the stipulation "destination free but always in line with

TODAY, for the second time in four exporting country's government Community law could not be so eas-Shipment at the Sullom Voe ence to "exporting country's governterminal in the Shetlands operated ment policy" must mean lawful poli-

by British Petroleum was stopped cy, he said. He could not accept that Bulk's when it was learned that Bulk intended the oil for Israel, whose dif-ficulties caused by the Arab boycott could be properly restricted by refhad been exacerbated by the revo- erence to a policy which the Govlution in Iran, previously Israel's ernment was not lawfully entitled

to adopt or pursue. main oil supplier.

It was claimed that the shipment If the Government was not, as a would infringe UK government pol-matter of Community law, free to icy, which restricted North Sea oil adopt nr pursue a policy of reexports to EEC members, the Interstricting or discouraging oil exports national Energy Agency and to Israel, it was at least arguable that private parties could claim to ignore any contractual provision which purported to restrict their The subsequent dispute went to arbitration, at which Sun was rights by reference to such a policy, awarded damages which, with inthe judge concluded. terest, totalled nearly \$15m, for

The Commercial Court formulated a series of questions to be put to the Luxembourg judges. They included:

ciause. Bulk's cross-claim of breach of contract was dismissed.

The award was upheld by the High Court, but Bulk was given leave to appeal on the sole issue of the validity under EEC law of Mr. Did the EEC/Israel agreement of 1975 preclude the imposition of new quantitative restrictions on exports between the UK and Israel? If so, did the bar cover UK crude

Bulk's argument was that the pol-icy was invalid because it was conoil exports? trary to an association agreement made in May 1975, between the Did it otherwise preclude the inclusion in a contract between two EEC and Israel, preventing any EEC member imposing new restric-tions on trade with Israel.

individuals of a provision which prevented the export of UK crude to Sun and Bulk both asked the Was the adoption of Mr Benn's Commercial Court to refer the policy incompatible with the Rome Euro-law issue to Luxembourg for a

> it sought to affect or preclude the export of UK crude to Israel?

Counsel for the Attorney General contended that no ruling on Community law was needed and that the contract between Sun and Bulk should be interpreted according to English law. The destination provision had been included merely to identify destinations to which the

Bulk's breach of the destination

Benn's policy directive.

ause. Bulk's cross-claim of breach

Treaty, either wholly or insolar as preliminary ruling - a move op-posed by the UK Government. Can an individual rely on the 1975

Finally, the Luxembourg judges will be asked to say whether the answers to the questions are affected by the fact that no objection has been expressed about the legality of oil could and could not be sent, it the UK policy by either the Council



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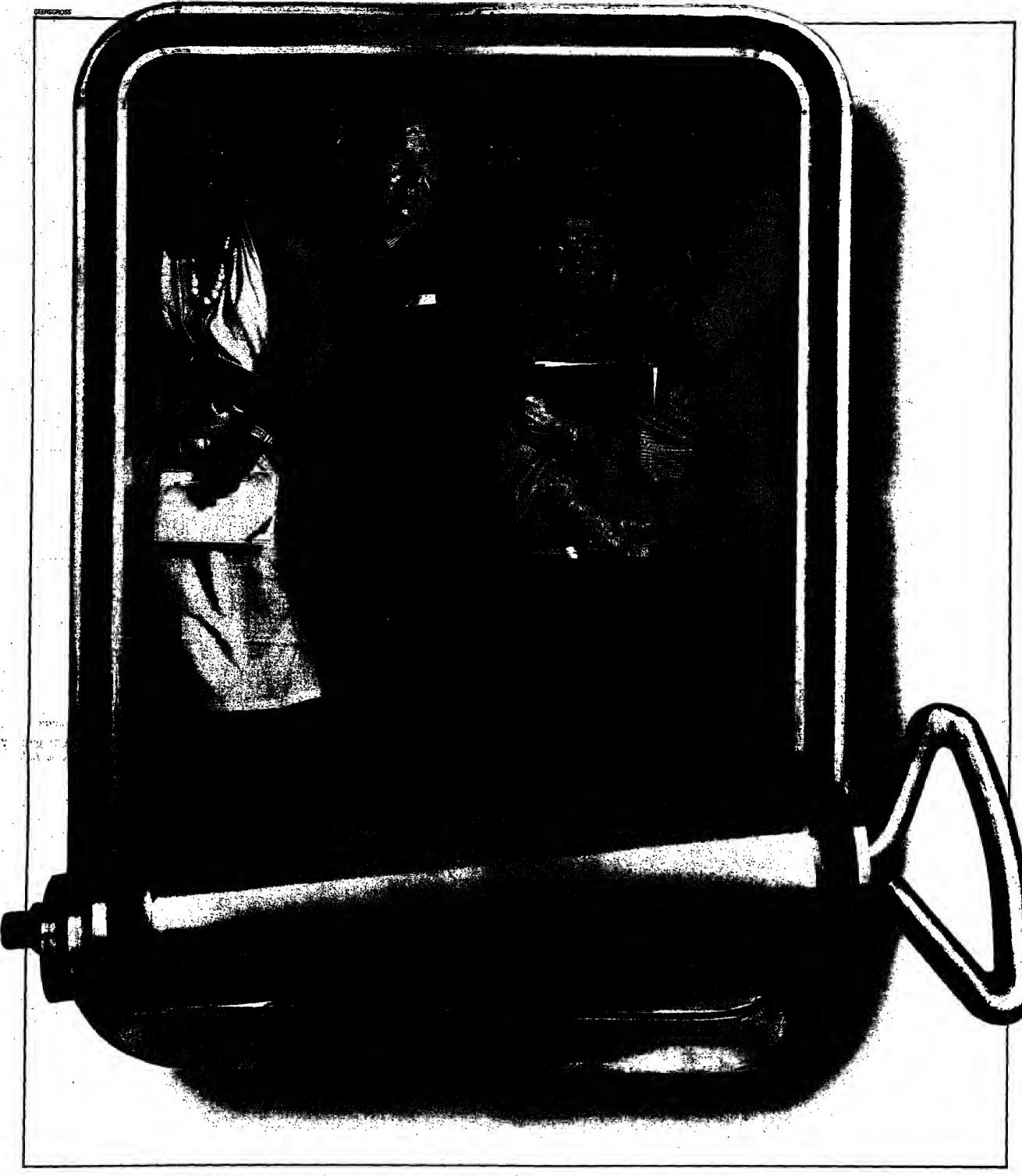


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Furnishing you with a better office.

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## Moving into an uncertain era

By Nick Garnett

WITHIN two and a half years, the management structure that has guided the recent economic fortunes of Aycliffe and Peterlee, two of the first post-World War II new towns operating in the hard pressed industrial climate of the north-east, will have been broken up for good.

Unless there is a change of mind by central government, the single development cor-

mind by central government, the single development corporation, which was finally fused early this year from two separate corporations, is to be dissolved in March 1988 in line with Whitehall's policy for most other new towns. What might replace the development corporation is still in the melting pof.

The two new towns each have a population of about 25,000 and are separated by 15 miles of open Durham countryside. Along with the newer Washington New Town on Tyneside, they were the principal focus for jobs growth over the past two decades. However, Peter-lee has outperformed Aycliffe during the past decade in main-taining jobs.

Total industrial employment in the former has risen steadily from 3,900 in 1973 to 6,500 to-day. Ayeliffe's, which stood at 9,000 in 1973. climbed to 10,800 in 1980 but has now fallen to

little more than 8,000.

No one doubts that unemployment would have been much worse in the area without the efforts of the new towns. Even so, following travel to work boundary changes earlier this year, Peterlee (Sunder-land travel to work area) and Aycliffe (Bishop Anckland TWA) have 22 per cent johless

Dissolution, the date for which was originally set for this year but subsequently post-poned to 1988, will be put into effect while unemployment of government investment in building and the encourage-

remains acute. The Durham coalfield is still declining rapidly and the closure of British Rail Engineering at

British Rail Engineering at Shildon has created a new unemployment blackspot on Newton Ayctiffe's doorstep.

That is why considerable local unease is expressed at what might replace what has been a one-stop shop promotional agency that has given this part of Durham a front to the ontside world.

Aycliffe was given new town status in 1946-47 essentially to provide housing and shopping facilities for the 15,000 people who worked at the town's hig munitions factor. Mining still

munitions factor. Mining still held sway in the area, the economic base of which was particularly fragile.

The development corporation was not responsible for industrial development. That was left to what is now English Estates until 1973 when this role was taken over by the development corporation's management. corporation's management.

Peterlee was also provided with a development corporation immediately after the war. Unlike Aycliffe with which it has shared chairmen but until two years ago not staff, it was expected to shoulder an economic role from the beginning. Specifically, this was to boost employment opportunities, especially for wives of coal-

som development corpora-tions therefore began with operation restrictions which hampered their work. Peterlee suffered a further problem in that two decades were needed to npgrade the main A19 north-south route near which Peterlee

## · AYCLIFFE AND PETERLEE



Pedestrians enjoy traffic-free shopping precincts in Ayeliffe (left) and Peterlee

the north-east, provided a higment, through virtual directives, stimulus to the new towns, even to use system-built techniques, though they still had to contend a substantial proportion of the with a number of drag factors. flat-topped bomes suffer from The development corporation problems of water penetration complains, for example, that the and concrete corrosion. Mainunadjusted total of capital ex-penditure of £70m each on the two new towns since the middle

two new towns since the middle
40s is less than one year's total
for Milton Keynes.

Apart from the £140m of
capital expenditure, the Department of the Environment has
also injected about £85m to
cover revenue shortfall. The development corporation cur-rently earns about £2.5m a year commercial property

#### 14,600 houses

especially for wives of coalminers. The coal industry was almost the sole employer after the war in this part of Durham. This role for Peterlee was coupled with that of huiding houses and providing a new focus for retailing and recreation.

Both development corporations, split almost equally between the two new towns, sold before the housing stock an architectural design, was transferred to Sedgefield council in 1978. A little under shops on the upper level tons therefore began with operation restrictions which operation restrictions which the same year.

This is a very substantial build-This is a very substantial building programme and does not take into account private house.

Performance must be largered to the second private house. building on corporation land.
The local authorities, though,

tenance costs are high, though to be fair, much of the old housing they replaced was sub-standard. The development of the new towns has been shaped by the county's strategic plan which identified their role simply as

regional subcentres. Even so Aycliffe's population is more than double the 10,000 initially envisaged. New housing was built close to the shopping centre which constraints on the expansion of retailing facilities to cope with a higher than expected popula-

In Peterlee the town's shopping core has been affected by an architectural design fault. It was built on two levels but shops on the upper level have Inevitably the new towns have a bland quality which is not to everyone's taste but they

Performance must be largely measured in terms of jobs, com-pany relocations and start-ups. The good road system and the closeness of Teesside, Britain's third biggest port system in reveal hig building programmes, terms of cargo handling, has particularly by English Estates.

SUNDERLAND Peterlee DURHAM BISHOP AUCKLAND Avcliffe

helped to attract a wide range Aycliffe has 5.4m sq ft of which

of companies, many big names 4.8m is occupied by 155 com-in their industrial fields. panies. Peterlee has 3.3m sq ft Factory floorspace figures of which 2.9m is occupied by 100 panies. Peterlee has 3.3m sq ft of which 2.9m is occupied by 100

In the past decade Aycliffe Price.

has run just to stand still, while Peterlee has steadily grown as an employment base. One reason for this discrepancy is the industrial profile of the two towns. Another is that Peterlee had special development area status from 1972-84 (now development area), while Ay-cilife was development area only from 1972-80, was downgraded to intermediate for four years and is now a development area.

In the first two decades of its In the first two decades of its life Aycliffe got off to a good start in jobs growth, far outstripping Peterlee. It has suffered big contractions in the past five years, however, particularly in mechanical engineering. Closures have included Abex Engineered Products, Ozalid Engineering and Fletcher Sutcliffe Wild.

Eaton makes truck axles at Aydiffe but has cut its work-force from 1,200 in 1978 to less than 300. Other companies that have shed substantial labour include GEC. Flymo, Ariston Domestic Appliances and Underground Mining Machinery.

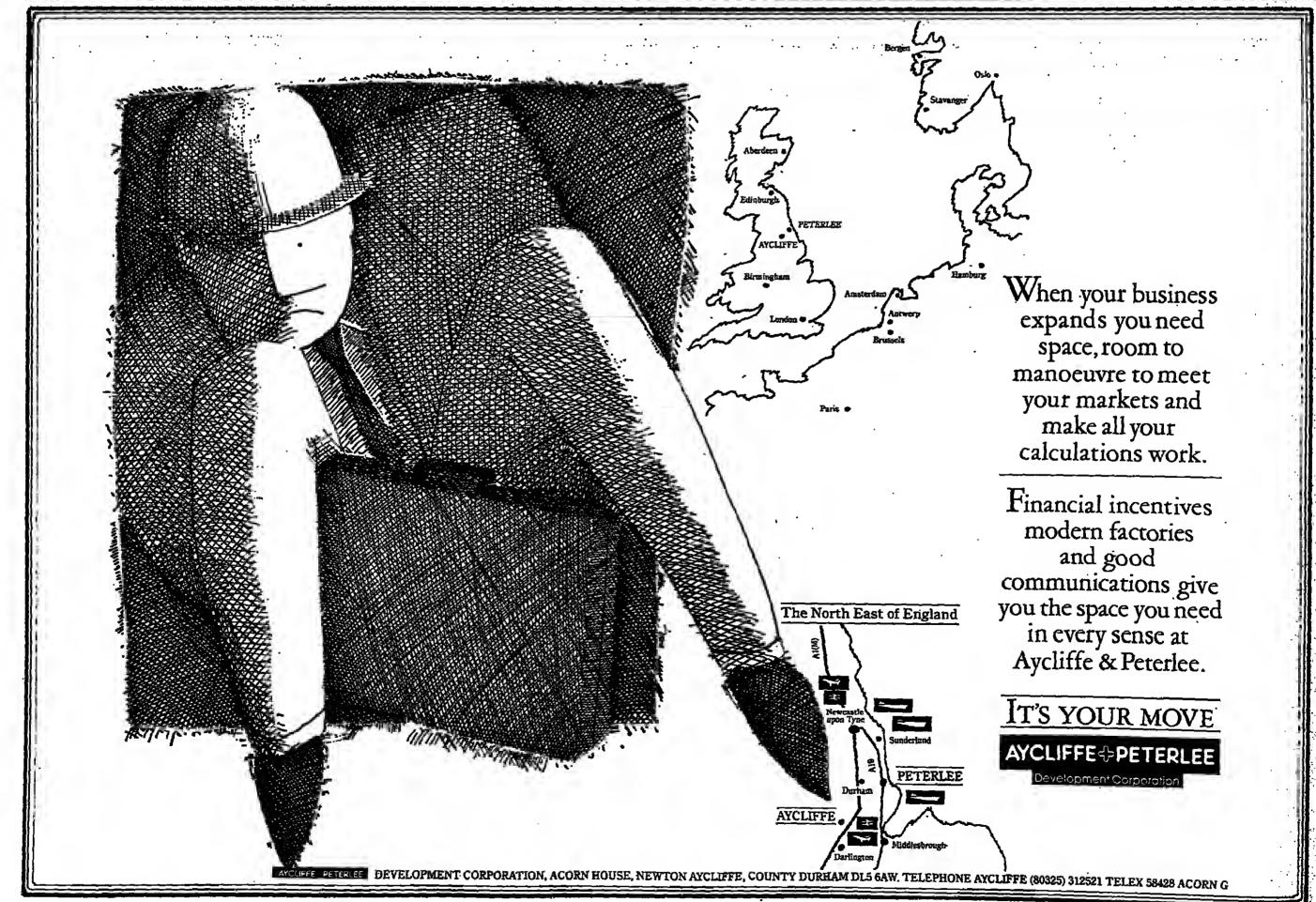
Peterlee has also suffered a rash of plant closures since 1973 hut it has done much better than Aycliffe in terms of job preservation at sites which have survived, and in attracting new companies. The latter in-clude NSK, DJB and Fisher-

As a result of these changes Peterlec's industrial profile has markedly changed. Its employment base was dominated 12 years ago by textiles and clothing (60 per cent of industrial workers) and food, drink and tobacco (19 per cent). These sectors are mainly employers of women reflecting the curpora-tion's industrial role. Then 64 per cent of all employees

Now Peterlee's engineering. vehicles and other manufactur-ing sectors account for 37 per cent of industrial employment (1 per cent in 1973) while tex-tiles, still the higgest employer, is down to 31 per cent. The survival of jobs

Peteriee has been particularly helped by both its early his-tory of clothing-related female employment, now a national growth sector, and the fortunate survival of most of its newer engineering jobs. Outsiders with the benefit of

hindsight criticise the new towns for not helping to foster more of a small business ethic.
Mr Garry Philipson. Ayelife
and Peterlee's Development
Corporation's managing director, says that the capital base was too low for this, and the climate when the new towns were growing was far different from what it is now.



#### **AYCLIFFE AND PETERLEE 2**



Some of the toys made at the Fisher Price plant

PROFILE: FISHER PRICE

## Around-the-clock production

THE DECISION by Fisher Price, the pre-school toy manufacturing subsidiary of the big Quaker Onts group of Chicago, to establish a plant in Peteriee was an important breakthrough for the area as

The state of the s

Its plans, as presented in 1978, made it potentially one of the biggest employers and left the way open for substan-tial expansion. The timing of the move was also important as it came during a period of mixed success in attracting

Fisher Price began producing its range of plastic toys for children up to the age of five years at the site in June 1978, using a floor space of 50,000 sq ft. Its expansion since then has been one of the most rapid in the area in terms of space and employees.

Using production techni-ques largely imported and adapted from its large pro-duction facilities in the U.S., the company now employs more than 500 people and operates on a floor space of 280,000 sq ft with the question of further expansion of space

and staff under consideration. The Peterlee site has become the company's main European manufacturing facilities, ahead of a second plant in Belgium, and this lead over the Belgium plant will increase if further devel-

opment is undertaken According to Mr Jo strong, the group's operating director of European business,

£70m of Fisher Price's total net tales of £500m last year were from European opera-

From the plant the group exports to every Western European market with France and Spain growing in importance as sales areas. It also holds an important slice of the Eritish market for its range of products. In choosing Peterice as the site a firm of independent investigators felt it had advantages over several other possible locations in Britain and Europe.

One of the most important factors in the decision was the availability and cost of labour, while the financial package put together by development authorities beld advantages over others com-peting for the business. The geographic location of

the site, however, proved an initial problem due to the hulky nature of the material used in some of the toys in its range. This has become less difficult because of alterations

in transport methods.

The Fisher Price plant is one of the few in either town that works 24 hours, seven

Mr Armstrong, who has held sentor management posts in Britain and the U.S., speaks highly of industrial relations at the plant and says that he has never experienced better co-operation from staff and loyees. This he attributes to the introduction of modern

HOUSING

## Drive to widen property range

SEVERAL PRIVATE bousing project built houses as well as projects under way near the towns of Peterlee and Aycliffa should help to increase the new private dwellings by should help to increase the new range of homes evailable in 1987. the area and activate an almost static property market.

The new houses vary widely in design, in contrast to those on council estates, and differ correspondingly in price and

The lack of sufficient high quality housing was cited by

towns et a virtual standstill, and the turnover of property years very slow, e prospective employee moving to the area often donbted the wisdom of an investment in a house and therefore became less inclined while while

Woodham Village in Aycliffe is serving as a model for the area, taking advantage of the area'e natural beauty through its location alongside a golf course and equestrian area.

At the top end of the market Poco Homes is offering four-bedroom detached houses for between £42,995 and £62,995

bousing estates were con structed in the 1960s to replace dwellings from the previous century. The areas surrounding on council estates, and differ correspondingly in price and location of the sites.

They feature "executive" however, with many needing major remedial work. A large increasing demand as companies in the industrial estates attempt to lure more senior staff.

The lack of sufficient high quality housing was cited by The lack of sufficient high quality housing was cited by several companies as adding to their problems in recruiting experienced middle and senior management, no matter how attractive the financial package they were offering.

With housing prices in the towns et a virtual standstill, and the turnover of property market generally, 33 per cent of Aycliffe's 8,800 dwellings are owner occupied while in Peterlee there is a 30 per cent ownership rate of the 8,300 dwellings. These figures have grown in recent of the turnover of property figures have grown in recent years as occupants have responded to the present Government's incentives for people to huy council houses. An ex-council house has a market price of about £15,000 while a semi-detached house in either town has a base level of around £22,500 and a detached house has a going rate of house has a going rate of £31,500. Looking further afield there

is more attractive housing evail-eble in surrounding villages and neighbouring towns, such as Durham, which has seen an unexpected acceleration in pro-

between £42,995 and £62,995
while two-bedroom town bouses and three-bedroom town bouses are on the market for between £19,650 and £39,750.

Housing developments in Peterlee also feature "executive" accommodation and are located on the fringes of the located on the fringes of the towns, adjoining nature reserves. The Oakerside Park development which includes

INDUSTRY

## Strategy switches to small sites

Unemployment In Peterlee the total number of people employed edged ahead from 5,501 to 6,492 in the same

these figures, employment levels in the two industrial estates have held relatively well against

the tide of growing unemploy-ment hitting the two towns.

Few of the British and inter-national companies that have moved to the towns' industrial estates have chosen to make them their head office sites. To

date only one large group has made the decision to relocate its administrative centre as well as production to the areas, with the vast majority choosing to leave their home bases intact in London or other large.

in London or other large

mitment to the areas, inter-national companies particularly are more likely to curtail or cut back activities in Peterlee and Aycliffe earlier than in other areas of Britain where

ticularly West German. Scandi-

navian and Japanese firms are

THE CHALLENGES facing the Aycliffe and Peterlee develop-ment towns are considerable. employment levels. Aycliffe, in fact, has registered e net decline in employment. Accord-For continued expansion they must compete against other development towns in Britain to attract new husinesses, while weathering the depressed economic and industrial dimates that are afflicting the north-east of England. Fewer companies are interested in expanding within the region, and the towns must

instead turn their attention ever wider for the new industries to fill the modern, vacant sites that dot the landscape.

Both areas, nevertheless, have sound records of achieve-ment when measured against the region as a whole and against other similar develop-ment zones less exposed to

conomic extremes.

The area's virtues in terms of geographic location and infra-structure have persuaded com-Scandinavia, Japan, Italy, Switzerland, Hong Kong, and most recently Spain, to plough in funds and in many cases expand

A large proportion of funds entering the area from domestic sources has been concentrated in the service and angineering sectors with the bulk employing less than 50 people. The authorities see this an expanding area and for this reason have emphasised small site construction in overall development strategy.

Exemplifying this trend which has grown in recent years, of the 155 companies in Aycliffe 122 employ fewer than 50 people and their total workforce is 1,168 while in Peterlee 75 of the 95 employers have 75 of the 95 employers have fewer than 50 workers on the payroll and their total work-force is 849.

Change in profile

The next biggest sector employs between 51 and 100 people, in Aycliffe there ere 15 such employers and in Peterlee nine, employing 1,105 and 693 staff respectively.

GEC is the largest employer in either area with its Aycliffe plant sustaining a workforce of 1,716. Peterlee possesses no plant with over 1,000 staff, and its five biggest sites employ e total of 3,454.
The most dramatic change in

the most dramatic change in the areas' industrial profile has been this growth in the engin-eering and service areas which has served to fill the vacuum left by the decline in im-portance of the textile and clothing sector. clothing sector.

Peterlee workforce was em-ployed in textiles and clothing. The sharp slump in the industry's fortunes nationwide fell avily on the area, and today, while still the largest sector, it employs only 31 per cent of the

workforce employed in food, drink and tobacco has declined from 19 to 14 per cent, while employment in engineering has increased from 1 to 14 per cent. As a result of this decline in clothing and textiles, and the growth of engineering, the make-up of the workforce has altered to a point where male employment represents 48 per cent of the total, compared with 36 per cent in 1973.

ment levels have gone on with inques encouraging greater out an improvement in the total consultation with employees. Wage and salary levels are lower than for equivalent jobs in the south of England and this has been an important factor in attracting husiness. Small companies choosing either

ing to the local anthorities figures, the number of people employed has declined from 10.819 in March 1980 to 8.244 last March. Reflecting increasing redundancies in neighbouring Peterlee or Aycliffe as sites for expansion have found the wage levels an important factor in their decision.

A sample of wage and salary levels provided by the authorities is: works manager (£11,000-127,000) ing coalfields and ancillary in-dustries, unemployment in the area rose from 7 to 14.8 per cent in the five-year period. On the basis of the changed travel

£17,000), accountant (£9,000-£16,000), quality control £17,000), anality control engineer (£9,000-£11,250), proforeman (£7,500-£1,250)

duction foreman (£7,500-£8,250), maintenance electrician (£6,850-£8,000), process worker (£4,750-£5,250), typist reception-ist (£4,000-£4,500). Being only 15 miles apart, the industrial estates share good transport links both within Britain and to the Con-tinent, which have been strong selling points since their period despite a doubling of the unemployment rate from 8.9 to 16.3 per cent. Under the new wider boundaries now in operation, the rate stands at 21.7 per cent. However, as can be seen from these figures employment legals points since

The reletive proximity to Scandinevia for access by sea and air has been important in attracting e high number of companies from the region and it is viewed as holding the potential for further investment from additional companies. The Scandinavian companies already on site include Electrolux, Norsk Hydro, Mustad and Son and Perstop Ferguson.

There are daily flights to Stavanger and Copenhagen from Newcastle airport and Teesside offers daily flights to Stavanger. Stavanger is one hour 15 minutes flying time in London or other large regional centres.

According to one executive in the area many companies have relatively short-term objectives in the areas and wish to keep open the option to transfer to other centres of production should these become more expression. away and Copenhagen one hour 30 minutes away. Other European destinations served by the airports are Paris,
Amsterdam, Bergen, Dusseldorf and Dublin, with the
maximum flying time to any of
these one hour 30 minutes.
Aycliffe and Peterlee are

Without this additional com-titment to the areas, inter-actional companies particularly re more likely to curtail or to back activities in Peterlee

Aveliffe and Peterlee are located within easy reach of the ports at Teesside, Hartle-pool, Sunderland, Seaham and Tyneside. There are frequent container and conventional mixed cargo services including roll-on roll-off facilities availeble to major EEC ports and

they have their head offices and manufacturing sites. A problem which develop-ment authorities have overcome While both estates heve good road connections to motorways going north and south, their distance from southern populament authorises have overcome in attempting to lure business to the area is the fear on the part of incoming companies that they may become embroiled in industrial disputes as unions wrestle with management to built electrons. tion centres places them et a disadvantage over other indus-trial centres with which they are competing to ettract new ment to halt closures.

Though the majority of the workforce on the Aycliffe and capital.

By road the estates are approximately seven hours 15 Peterlee estates are unionised minutes away from London, five hours 30 minutes from the number of hours lost through disputes is a fraction of national levels and, accord-Glasgow, five hours from Birmingham, four hours 30 minutes from Liverpool and ing to several companies which heve introduced new technology, including robotics, implementation has met with four hours from Manchester for heavy goods vehicles,

The main station serving Peterlee is 12 miles away at little disruption.
Managers say that modern plant, equipment and facilities.

During the same period, the at the sites minimise friction on e day-to-day level, reducing rink and tobacco has declined the likelihood of contents of major station is at Darling is a plant of the likelihood of contents of major station is at Darling is a plant of the likelihood of contents of major station is at Darling is a plant of the likelihood of contents of the likelihood of content the likelihood of confrontation over altered work practices. and the fastest train to London takes slightly over two hours Management et most sites is considerably younger and more

amenable to consultation with employees than in the large industrial plants elsewhere in the region which have closed Aycliffe's rail freight services centre at Stockton on Tees which is approximately 15 miles away and from bere connec-tions can be made with all parts in recent years. International companies, parof the UK and Europe.

Ray Bashford

PROFILE: FLYMO

## Expansion through These shifts in sector employ- also using management tech- robots

WHILE BRITAIN has been lamenting its lost summer, a company in the Aycliffe industrial estate has been counting it as a blessing as sales hiossom. Flymo, a subsidiary of the Swedish Electrolux group, expects sales this year to advance by 11 per cent as the company strengthens its grip on a major share of the Euro-pean lawnmower market.

The company's general performance is tied closely to the vagaries of the weather and the near record rainfall figures this summer over most of Europe have come as a much needed boost.

The Sales growth should push the total figure through the film level for the first time and allow it to improve on the break even profit performance of the previous financial year.

Flymo operates as an integrated part of one of the

riymo operates as an inte-grated part of one of the areas most sophisticated manufacturing plants. The bodies for the lawnmowers are produced on plastics extrusion equipment which also turns out most of the plastic components for Elec-trolux's range of vacuum cleaner appliances. However, the Electrolux plant at Luton remains the

company's major manufactur ing and assembly site for vacuum cleaners and home appfrances in Britain, with Ayeliffo further contributing as a parts storage area. A feature of the company's development in Ayelifie has been the introduction of 32 robots which operate in parts

manufacturing, assembly and packaging processes. In 1983, the company won a Queen's award for manufacturing technology for its use of robotics, a year after an award for exports as recognition of Flymo's achievement in

Despite the Introduction of robats the group has progressively increased its work-force since the plant was established in 1964 from 200 to today's figure of 630, although there are no immediate plans to expand as the company has reached what executives call "a plateau of

productivity."
The acquisition of Flymo in 1968 gave the impetus to the plants fastest period of growth. Since 1975 the plant's space has doubled to 100,000

The plant is also used for research and development projects and executives esti-mate that 2.5 per cent of abnual gross turnover is employed for this purpose. The plant of course also draws heavily on Electrolur's manufacturing innovations.

Executives say the intro-uction of robotics and their subsequent use has been achieved with a minimum of industrial unrest. The plant follows the Electrolux policy of maintaining close liaison with staff on changes in the work environment and attribute this as well as modern working conditions as being responsible for the excellent industrial relations.

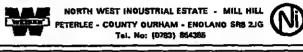


Assembling and packing Flymo lawnmowers

Weiser (uk) Limited

NI INOUSTRIES, INC MANUFACTURER OF HIGHEST OUALITY LOCKS

As one of the largest Lock Manufacturers in the world, Welser/Falcon products are specified and used on residential, commercial and industrial projects of every distinction. With worldwide factory locations and universally appointed distributors you are assured of a professional service on and off site.





The worlds leading pre-school toy company chose Peterlee for the largest toy factory in Europe





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## Newton Aycliffe has been good news for us -now we have good news for Newton Aycliffe.



Norsk Hydro Polymers -the PVC people with tomorrow's technology today.

Yorsk Hydro is Norway's largest public company. It is also one of the largest PVC producers in Europe. Yet its main PVC resins and compounds production location is in Newton Aycliffe.

The reason is simple. Major priorities are access to a welldeveloped communications network and a skilled, willing and adaptive workforce. We found both in Newton Aycliffe.

We are expanding both resins and compounds production at Newton Aycliffe. This will involve an investment of over £ 10 million. On completion, PVC production at Newton Aycliffe will be as cost effective as anywhere in Europe.

Feedstock security through our parent company in Norway, coupled with local investment, ensures that Norvinyl resins and Hy-Vin compounds will be manu-factured at Newton Aycliffe for

many years to come.

That has to be good news for us, good news for Newton Aycliffe - and good news for our customers.

8654

8184

8172

1339

2237

1931

1177

7868

2236

2422 5975

7503

2600

3117

4830

4316

33 King William Street, London, EC4R 9AS

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£500 Bonds

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PERUVIAN NATIONAL LOAN

6% External Sinking Fund Bonds 1928

(Second Series) S. G. WARBURG & CO. LTD., announce that Bonds for the nominal amount of £30,500 have

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:-

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1st April, 1984

1st October, 1983

1st October, 1981 229 6081

7st April, 1981

1st October, 1980

1st April, 1980

st October, 1979

tst April, 1978

1st April 1977

1st October, 1975

3277

4315

each £100 nominal, together with accrued interest to said date at the office of:-

£51,600 nominal Bonds will remain outstanding after 1st October,

3793

8337

1760

3424

1929

On the 1st October, 1985, assented Bonds will become payable at the new per value of £174 for

Interest will case to accrue on the Bonds called for redemption on and after 1st October, 1985, 3onds presented for payment must have attached all coupons maturing after that date.

non for redemption on the dates stated below

emption instalment due 1st October, 1985.

## INDUSTRIAL FASTENERS

William Dullforce on the growth of a Liechtenstein family concern

## Hilti drills out bigger market niche

the tax haven-cum-Ruritania the 160 sq km principality squeezed between Switzerland and Austria, it runs a SwFr

1.5hn (\$630m) husiness in 80 countries, supplying drilling machines and fastenings to the hullding industry.

back on its heels by the reces-sion in world construction at the beginning of the decade. Earlier in 1976-79 it had enjoyed an average growth of 20 per an average grown of 20 per cent in annual sales but in 1982 group turnover, up by only 1.7 per cent, fell in real terms and net earnings at Hilti Corporation, the parent company, slumped by 27 per cent.

An energetic response to the situation included a top man-agement shake-up, a revitalising of the marketing apparatus, the introduction of a logistics system to improve material flows, investment in computeraided production techniques, and a search for new sales

Last year these efforts started to pay off. Consolidated sales grew by 15.4 per cent to just under SwFr 1.5bn. Hilti Corp's net earnings climbed by 39 per cent to SwFr 32.5m and cash flow swelled by 32 per cent to

The growth in sales stemmed partly from the atrength of the tion industry still wallowing in ssion, it also indicated that Hilti had managed to elbow its way to a larger market share.

A family-owned concern. Hilti does not issue a consolidated report but the balance sheet and profit-and-loss account pub-lished by Hilti Corporation of cover the production plant at Thuringen, Austria, reflect an impressive financial strength, reinforced by last year's upera-

The new logistics system belped to reduce funds tied up inventories substantially. Liquid funds increased by SwFr 42m to SwFr 193m, opening the way for the early payment this year of SwFr 65m in notes taken up in 1981 and 1982 at

19th September, 1985

The improvement in net earning Germany, the U.S. and ings was realised in spite of Japan as well as 2 large technicreased spending on research nical centre at Schaan. It emand development, promotion costs for new prodocts and a

HILTI is a name which adds provisions. At the end of the a solid industrial dimension to year shareholders' equity, year shareholders' equity, boosted by SwFr 161m in "extraordioary reserves," equalled almost half the balance sheet total of SwFr 654m.

The "niche" in which Hilti is a giant is in supplying buildiog and civil engineering com-panies with sophisticated tools for driving with explosive The international leader in power pins, study and other fastening systems, Hilli was set fasteners into steel or concrete.

The company started as a five-man workshop at Schaan in 1941. Mr Martin Hilti, its

geogrates 35 per cent of sales. office staff. Europe provides 45 per cent. The abili including 14 per cent from West Germany, and the remain-Middle and Far East.

The Liechtenstein concern's main competitors are Bosch and AEG from West Germany, Makita and Hitachi from Japan and Ramset of the U.S. Hilti believes it possesses two founder and now, at 70, still big sdvantages. First, it offers



Mr Martin Hitti (left), the company's founder and driving force

"systems," embracing drills, bits, fastening elements and executive chairman and the company's driving force, set it on the growth path in the early 1950s by redesigning the highvelocity tools then used. A piston was introduced to transcartridge to the fastener and to allow excess power to be absorbed inside the tool.

Today, in addition to a variety of direct-fastening tools, Hilt's range covers electro-pneumatic drills, heavy-duty "anchors" with holding powers of up to 40 tons, and adhesive

It operates nine production plants, of which three are in West Germany, two in the U.S. and one in Britain. It has reaearch and development centres ploys worldwide 8,500 people-a decline of 1,100 from the

installation materials. Second. It has a direct selling organise tion which gives it a unique rapport with customers.

It is these two atrengths, in addition to cost-cutting and productivity-boosting investment, that Hilti has sought to exploit in fighting its way out of recession.

The systems approach, offer-ing a complete package with software back-up, creates a high barrier to market entry for competitors who supply only the tools, drilling bits and fasteners. Hilti's Japanese com-petitors, Martin Hilti points out, are good at producing in large volumes but weak at meeting the particular requirements of customers.
The Hilti management's

proud boast is that its 5,000strong marketing force makes 25,000 contacts a day with

The biggest single-country market is the U.S. The "western hemisphere," which means mostly the U.S. and Canada, tenance and other back-up and are salesmen, the rest being technicians providing the main-

The ability to manage this large sales force is one of the keys to Hilti's future performance. As Mr Wolf-Dietrich Stoff, the director responsible for the Pacific, Middle and Fer East, explains, if it can be used flexibly it can be a fine instrument for balancing return on investment against the drive for market share country by country.

In 1981-83 when productivity was slipping and costs were getting out of line, the emphasis was on return on investment and some managers, who did not understand the message, on the other hand, where the construction industry took 2 sudden dive. Hilti let return on investment slip for a while and concentrated on improving for the market to recover.

Hilti has been looking for new areas in which to exploit its technology while the con-struction industry remains stuck in the doldrums. Its salesmen have taken greater interest in the maintenance and renovation of old buildings; nuclear power stations have provided new business; and the require-ments of the transport business are being assessed. In June Hilti took control of the Schmidlin company in Switzerland, which specialises in cladding for building facades and has a subsidiary in Britain.

Mr Michael Hilti, the chair-man's elder son who took charge of production throughout the group this year, says invest-ment in manufacturing equipment, mainly in automation, will rise by 20 per cent this year. Spending on research and development is scheduled to go up at a similar pace SwFr 43m.

The policy changes and the strengthening of the production and marketing apparatus at Hilti are coinciding with a generation shift at the top. Martin Hilti as seat but responsibility in being moved to his sons and others in the new seven-man management committee.

It has been suggested that Hilti may go nublic. Martin Hilti concedes that this might become necessary when sales exceed SwFr 2bn but the family would retain control. The initial offer would be of non-voting

FINANCIAL TIMES CONFERENCES

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#### Fourth Retail Banking Conference

The Economics of Financial Services 16 & 17 October, 1985

This conference is to be charred by Mr James Larkin of American Express and Mr Anthony Greaver of Hoore Govett who will also be giving papers. Other speakers will include:

Mr M J Regan Domestic Benking The Royal Bank of Canada Mr T A Green

Dr Welf von Schimmelmann Mr John C Elliott

MasterCard International Inc Mr Peter Birch Mr Charles M Winter The Royal Bank of Scotland

Dr Hans Voegeli Bank J Vontobel & Co Ltd Mr Christopher D Batt Booz. Alien & Hamilton Inc. Mr Michael Bliss

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Telex Type of Business

八字。 网络电子连续 實施 医原菌



When the Spaniard bought new equipment for his vineyard it had been financed with a US dollars credit.

Five years. Floating rate. But most of his wine went to the EEC. So he wanted to change it to a fixed rate ECU liability.

He came to Generale Bank, Belgium's largest bank and one of the leaders in the ECU market.

They were working on an ECU Eurobond issue at the time. For a Japanese bank.

Five years. Fixed rate. So they could swap part of the proceeds against the dollars.

The Japanese bank got its funding, successfully tapping this very important market without direct use of ECU's. And the Spaniard his fixed ECU liability.

We did it for them and we can do it for you.

## Generale Bank

Montagne du Parc 3, B1000, Brussels, Belgium

#### **TECHNOLOGY**

#### **New Istel** company to advise Jaguar

ISTEL, British Leyland's in-formation systems subsidiary, has launched a company called Istel Antomotion to ex-ploit the new market in computer integrated manufactur-ing (CIM), which is expected ta grow ropidly over the next few years.

The Redditch-based com-

The Redditch-based company immediately amnounced it will be edvising Jaguar Cars on CIM strategy for systems to be installed over the next five years. It has already worked for Deep Sea Seals on projects for the flexible manufacture of propeller shaft seals weighing more than two tons. It has also advised ingersoil Rand and Control Data Corporation. Data Corporation. CIM is the rational outcome

The state of the s

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of the growing use of computer control which, so far, has been applied on a plecemeal basis to areas like machine tools, robots, programmable controllers and civiliar systems. The idea of similar systems. The idea af CIM is that the computers controlling these systems should be able to "talk" ta each other to produce larger areas of integrated working and, ultimately, a whole production with duction unit.

Mr John Leighfield, chair-man of Istel, believes that with a strong background in data communications and netdata communications and net-works, the company is well placed to implement CIM. Fnture projects will be based in many cases on the General Motors manufacturing anto-mation protocol (MAP), for which Istel has just declared its full support. MAP defined ways of making disparate sys-tems work together and is tems work together and is based on international standards.

The new company's manag-ing director is Mr Mike Grant, director of the engineering and manufactur-ing division of Istel, He ing division of Istel. He argues that successful Advanced Manufacturing Technology (AMT) projects depends on understanding how and when to use particular specialist ingredients. "For successful implentation of AMT," he says, "companies should adopt a systems strategy which takes a jong-

strategy which takes a long-term view of manufacturing automation as an integral part of their business plans and company strategy." More on Redditch (0527)

THE WORLD'S banks are pre-paring to take a giant step within 12 months into the most within 12 months into the most advanced form of computer networking On June 2, 1986— for banks in Europe, ot any rate—tha electronic messaging system run by the Society for Worldwide Interbank Financial Telecomunications (Swift) will give way to e new and advanced network, called Swift II.

In 1987, banks in the Far East will similarly "cut-over" to the network, to be followed in 1988 by Australasia and Latin America. Swift, established in 1973 by Swift, established in 1973 by 239 banks in 15 countries as a non-profit, hank-owned co-operative organisation, is dedicated to meeting o number of specific service needs relating to inter-bank financial transactions.

UK radiopaging equipment

maker, has developed a local

area network which allows various pieces of equipment per-forming different functions to

be connected wherever they

are needed in an office, foctory

Originally, in-house radiopag-lng simply enabled staff on a site to be alerted by a pocket "hleeper" to the fact that an internal or external call was

wating for them at the nearest relephone. The telephone opera-

tor had the central transmitter/

receiver unit to hand and keyed

in the appropriate bleeper's

or hospital.

number.

Using clearly defined stan-dards and formats, it provides

to switch to an advanced version of the electronic message system which speeds their transactions, reports Siobhan Hanev Delegates to Swift's eighth annual conference in Brighton this month were told that the Swift II network would incor-porate advanced data processing

'common language" through which the banks communicate clearly and unambiguously.

But in the 12 years since Swift was established, compoter and telecommunications technology have moved on dramatically a further development of Swift I would have meant increasing complexity and the possibility that instability might be intro-

nologies. Its new architecture would be based on decentralised, modular processing units.
Users would benefit from far more flexible applications, on-line retrieval facilities, more comprehensive sender and re-ceiver priority control increased speed and throughput, and better security and audit features. Some of these en-hanced services would be avail-able to user banks as soon as Swift II becomes operational, although this will depend on upgrading the user interface

and telecommunications tech-

initial 1m transactions a day. Future capacity increases will be modular in character and will not require any architec-tural modifications.

During the conversion period,
all Swift II services will be

1982

1983

1985 (estimate)

1984

available to users equipped with Swift II terminals. A compat-ability period will be provided ability period will be provided so users can prepare themselves and test the new terminals, and for that period Swift I equipment will be able to connect to the Swift II system. Swift I and Swift II services will coexist during changeover, although some operational limitations will be imposed on Swift I terminals.

Swift I terminals.

To complement the switch from Swift I to Swift II, Swift has launched o range of user terminals, the ST400 series (the existing ST200 and ST500 will be provided with a Swift II interfoce) ST400 will act as a Swift II interface for medium to large volume banks, which require not only message transmission facilities hut also processing power for banking opplication packages. The terminals will be capable of transmitting and receiving thousands of messages on the swift network as well as other networks, such as the hig City clearing systems, Chips, Chaps To complement the switch clearing systems, Chips, Chaps and Fadwire.

volumes commonly experienced after bank boliday periods. The ST400 also marks Swift's departure from Burroughs equipment, which is used in the ST100, ST200 and ST500 ranges; the ST400 operates on Digital Vax computers.

handling and processing cap-ability allow for concentrated

operations at certain times of the day and the heavier

Once again, the conference relegated two important policy issues to the backburners; chould non-bank financial Institutions be allowed to join Swift, and should direct interfaces be ollowed between Swift and third party networks such as Geisco and ADP?

24.7 59.3 1,031 1,076 1,753 3,906

**EDITED BY ALAN CANE** 

THE GROWTH OF SWIFT

Average daily traffic volumes

121,000

164,000

218,000

285,000

346.000

480,000

566,000

of its own in-house bank, follow ing the example set by Volvo and ICI," he said. "Let me immediately reassure you that I do not intend to raise the questions of whether or not these institutions should become

institutions should become members of Swift."

It seems increasingly unlikely that non-banks will ever be allowed to join. Swift undoubtedly believes that its member banks should use the network as a competitive tool against institutions which are against institutions which are moving into traditional banking on the second issue, Swift views other networks (including

those operated by its member banks) as rivals.
Swift has grown like Topsy.
There are now 1,257 member banks in 54 member countries. sands of messages on the swift and ADF?

network as well as other networks, such as the hig City executive committee member, clearing systems, Chips, Chaps alluded to the first problem in his opening speech, "Last Slobhon Honcy writes During peak hours, traffic January saw the launch by BP

#### **Add another** 300 R&D specialists to your team

Contract R&D - new lines.

#### Research aims to merge chip properties

PHILIPS, the hig Nether-lands-based electronics com-pany, is collaborating with Slemens of West Germany in the development of a kind of semiconductor ebip which will combine the benefits of hipolar and CMOS transistors. The research program is funded by the EEC's Esprit programme.

The idea is to combine the bigh speeds, which are the main features of bipolar circuitry, with the low power requirements of CMOS technology.

Bipolar transistors were among the earliest types made and are easy to hulld into large-scale lotegrated circuits. But they are much less easy to build into the very large scale integrated circuits in the vanguard of teday's technology. Their advantages include high speed, low difference voltages, low noise, high

current density. CMOS (complementory metal oxide semiconductor) elreults have proved very attractive in recent years be-eause although they are not as fast as hipolar, their low power requirements means they are much less prope to

The ocw research study, the BlCMOS project, aims to develop the process tech-nology for incorporating both CMOS and bipolar circuits on

the same chip.

These circuits are expected to find opplications in o number of information-pro-

cessing systems.

Examples include analog to digital and digital to analog converters, amplifiers, memories, digital processing and control logic, onalog and digital functions.

The universities of Duhlin and Stuttgart are collaborating with Philips and Siemens in the project.

ALAN CANE

## Banking on a better network

Banks worldwide are preparing

	MESSAGE FLOW	
Area	Outgoing Messages	Ingoin Message
Ешторе	92,266,000	87,204,0
North America	24,426,000	25,505,0
South America	1,418,000	1,487,0
Asia / Pacific	9,201,000	8,877,0
		Source: Sw

Swift II's architecture is designed to ollow handling of an

The bleeper comes of age

Multitone realised that these and other useful features could be added if all the inputs and outputs were connected, regardless of location, using a single cable.

This is the approach taken in the company's new Access 3000 system, which uses a digital data highway or local area network to string the various items together over a single cable up to one kilometre long.

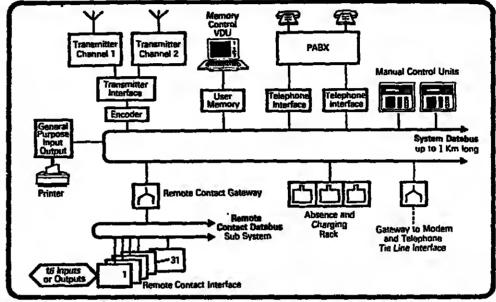
Now, all the equipment can be placed where it is needed telephone inputs near the phone exchange, manual con-But over the years, Multitone and others have added extra functions. In hospitals, for example, "panie buttons" can be pressed in medical emergencies to "hleep" the appropriate doctors. Security sensors can

RADIO PAGING is hreaking be similarly connected back to are microprocessor-controlled loose from the central "block the central unit, and a paging box" control system. To replace it, Multitone, the blg personal units from a PABX speech in both directions.

The intelligence avollable in the system enables it to accom-modate older Multitone pagers; existing systems can be updated by odding new pagers. Paging message formats recommended hy CCITT, the international standards body, can be used. This degree of flexibility results from a memory, also connected to the local area net-work which keeps details of oil

the pagers on the system and issues instructions accordingly. planned include a call-logging printer, a charging rack for hieeper hatteries which will tell the system when the pager is on charge and so not in use, and interconnection of paging and interconnection of paging systems on different sites by BT lines. Multitone is on 01-253

GEOFFREY CHARLISH



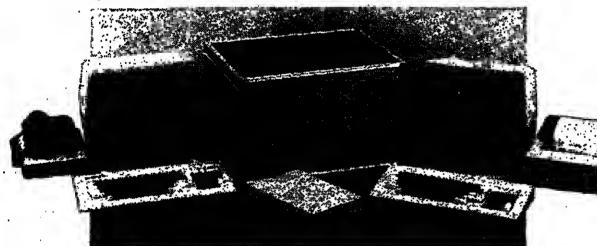
Multitude uses a local area network (LAN) in the Access 3000 paging system. The expense and inconvenience of wiring the various base stetion components to a central control unit is remeved. Items like a company's telephone exchange, manual control units, emergency buttons and the central radio transmitter/receiver can be optimally placed and connected with a single cable, Microprocessors allow the system to know the pager type It is talking to with the help of a system memory also connected to the LAN.

Unauthorised access to even the most sophisticated computer system might result in mere loss of corporate face but it is increasingly leading to loss of assets, fraud and destruction or alteration of data.

## is your computer TOO user-friendly?

Moreover, the Data Protection Act, now in force, puts a new onus on data users and computer bureaux to prevent illegal entry and disclosure of

The Horatius Data Security System, designed and developed by Dowty, a world leader in data communications, provides effective protection for computer systems with remote terminals connected over the public telephone network.



Horatius is a sophisticated access controller which quite simply prevents system entry by any unauthorised persons. Only users with a terminal connected to a telephone number corresponding to their password and stored in the Horatius memory, will be "dialled-back" with further instructions. Designated time windows and password validation systems add a futher measure of security.

The Horatius computer can handle from 6 to 54 telephone lines, with capacity for 200 to 1200 users and an optional printer will log all call information. Completely system independent, Horatius is installed without

inconvenience and comes with a two-year warranty.

TODAY'S SOLUTION TO DATA SECURITY

For a confidential discussion and further details contact:

**Dowty Information Systems** 

3 The Paddock, Hambridge Road, Newbury, Berkshire, RG14 5TQ Tel: Newbury (0635) 33009 Telesc 849448

In Spain, TELEFONICA has for sixty years bee making the telephone something more than just a communication instrument. Recently TELEFONICA and its group of companies" have made an enormous effort in research and technological developments. This has paid handsome dividends. Today every business sector in Spain benefits from TELEFONICA's

e telephone is e powerful force for progress and TELEFONICA is already looking to the needs of the next century. TELEFONICA is now also present in the major international stock markets. Every step TELEFONICA takes in Spain is a plant leap for the progress of its cociety. That's why in Spain there is an entire



TRLEFONICA GROUP\* - Amper - Cables de Comunicaciones - Control Electrónico Integrado (THPT) - Essa : Entrel - Graffour - Hispano Radio Marioma - Indelec - Intelia - Seco Sentel - Telefonica Internacional - Telettra Española - Standard Electrica - Telefonia y Dazos - Telecomunicaciones Mannas.

UNDER the gaze of a Grecian bust, the artists in the graphics rooms of the Shanghai Advertising and Decoration Corporation turn from their source of inspiration -- one consults a comic book and another seeks guidance from a bardback collection of impressionistic paintings - to their drawing boards. But are they drawing the party

An ideological debate over the role of the advertising industry has grown in intensity as the industry has grown. In the past week. Several articles critical of advertising trends have appeared in Chinese news-papers and the Communist Party Central Committee has just launched a campaign to lighten controls on advertising.

"Some advertisements are "Some advertisements are sham belittle others to huild up oneself, worship and have hlind faith in things foreign, and are full of vulgar flavour. The committee holds that such unhealthy wind must be halted," said a Central Committee circular.

Advertising has been on the move. Shanghai's municipal government has overturned a 0-year-old rule banning advertising on buses, and reckons that 70 of them will be mobile hoardings by the end of the year. The first two businesses to have their products on board buses are a refrigderator plant and a stapler factory.

Shanghai has fervently em-hraced advertising. Billhoards push Japanese electronic goods and traditional Chinese medicines. Newspapers have a large slice of their pages taken up by

The work unit responsible for much of this is the Shanghal Advertising and Decoration Corporation, which finds itself in the midst of the ideological debate.

With the coming of the cultural revolution in 1966, advertising was banned and slogans were coined aganist it.
"Advertising is capitalism"
was a jingle of the time. As corporation's designer, Lu Sanrong, explains it, advertising was made respectable again in late 1978 by the third plenary session of

the 11th People's Congress. "People have got confidence. There has been a recovery.
Advertising is really needed in this society," says Lu. The corporation, founded in 1956, now has 900 staff, including 130 designers and 400 decorators. designers and 400 decorators. Socialist propaganda. So they it is the market leader, with limited competition from the Shanghal Fine Arts and Design Corporation for local work and from the Foreign Trade Advertising Corporation for Advertise for seeking profits.



Above: "Yinque brand bed erticles can make your bedroom more beautifull."



## 即使语言和发音不同,如果 使用文字电传的话。便可传 送正磷无误的信息。 "理光传真机"使之成为

detergent has won the State Dragon award." Above: "Ricol

## Drawing the party line?

Robert Thomson reports from Shanghai on the state of Chinese advertising

ing in Shanghai by foreign

As well as handling advertisements for newspapers, tele-vision, hillboards and hus sides, the corporation also ensures shop windows are well-dressed, and dabbles in the sesthetics of seminar presenta-

The advertising chain begins with a manufacturer approaching the corporation, and seeking approval to place an advertisement. The corporation has about 80 cadres who decide whether or not to accept the application. If the cadres say "yes," the application is passed on to the designers who will create an advertisement after consulting with the manufac-

After the ad is created, approved by the client and approved by the cadres, who are the custodians of ideological taste, it is placed in the medium of the manufacturer's choice. In China, newspapers are by far the most effective medium because of their high circulation.

What the propaganda department of the Communist Party's central committee wants is closer scrutiny by those cadres of the advertising chain: "The advertisement published by advertisement published by Press units is part of tha Socialist propaganda. So they

vertising husiness should be strict in examining and approv-ing the publishing, broadcasting or projecting arrangements ... advertising is a newly emerged undertaking and, with the development of commodity production, it will thrive more."

At the Shanghal Advertising and Decoration Corporation, Lu says he and his counterparts are still learning the trade, though Shanghal is ahead of other Chinese cities. "That is for three reasons, We have a longer history, we are more influenced by overseas techniques, and because Shanghai is the major trading place.

considers advertisers He around the world are studying the "same thing." "They are studying to make the design close to tha inner characterisrics of the products to resolve the artistic result." He doesn't think advertisers manipulate the market by making people buy things they don't really need. "From my knowledge, we have no such experience because people are not so rich in China, and advertising is not so developed, so it would

Shown a Marihoro man advertisement, Lu said the scene of rugged-man-on-horse-hack contained a "story" and that the cigarettes are linked to the story. Chinese ad-men are studying such techniques, he said. "In America they spend a lot of money for the

not happen."

"Those units which run adpurpose of selling. Coca-Cola laughing at the monkey king, brick in examining and approvement than 100 years, and its advertising broadcast-tising is very successful."

Those units which run adpurpose of selling. Coca-Cola laughing at the monkey king, and mockingly saying: "hit me, than 100 years, and its advertisements shown to have hit the watch, and or projecting arrangements."

Chinese advertisements are said in frustration: "I gave it

comparatively hackward in design hut getting bolder. The traditional selling point has been that the product has won one or other of the innumerable gold or silver medals the government awards to efficient producers for "good quality." The medal boast is accompanied by a sketch of the medal, and a description of whan it was won and why.

Newspaper advertisements for products with no medals to boast about will often be garnished with puffery, for instance, the "forever" brand toothbrush has the slogan: "Even one hair will not drop." And an ad for the Japanese musical instrument manufacturer, Yamaha, had a message superimposed on a photo of an orchestra: "Yamaha...creates life happiness for mankind." A favourite graphic image is

that of the monkey king, who, as legend has it, trekked across China to India, overcoming seemingly insurmountable dangers along the way, But, ads claim, various brands of pencils and washing machines are too

graphics room of the Shanghal Advertising and Decoration Corporation was a sketch of a "Diamond" brand watch from Wristwatch Factory. The watch, which had arms and legs, was effect."

shown to have hit the watch, and said in frustration: "I gave it my hardest hit."

This trend towards deliberate exaggeration, impressionism and fantasy has drawn critical newspaper comment. One editorialist condemned, with liberal sprinklings of irony, television ads for television sets: "In ads television sets have fought earth, water and fire. A television set allegedly has been stolen, buried deep in the earth and later submerged in water. When it was finally recovered. the television was, the ad said, quite all right."

A more irate comentator in the "China Daily" told of his seeing a hus advertisement show ing the late Premier Zhou En Lai holding a plastic soft drink bottle; "I was quite puzzled as to how the manufacturers could possibly have had our beloved Zhou pose for the ad, since he passed away nina years ago when there was no such thing as a plastic packaged soft

The writer goes on to request that advertising, "first of all," should offer "truthful and accugood for monkey.

On the drawing board in the rate information. I am not against advertising which is a very important part of marketing. But those who design advertisements must be aware of the

### THE **GUINNESS** COLLECTION

## How to milk stout

about it: "We're exploiting the Guinness name like mad." Managing director of Guinmanaging infector of Guiness Enterprises for only seven months, he has clearly taken a run at the job. When he took over, this tioy division of the brewing, whisky and retailing group was turning over fAm a year from sales of the Guinness.

Book of Records and an assort-ment of other publications.

His target for 1990 is to in-crease that at least eight-fold simply by trading on the com-

pany name. He believes that the 250-year old Guinness name, its harp logo and its corporate colours— red black and tan—can be hung onto any number of products and services and thus serve to and services and thus serve to enhance the reputation and hal-ance sheet of the new-look Guinness Plc.

He does not believe that tha

corporate merchandising band-wagon is already overloaded. "It's only just begun," he says. Coca-Cola, one of the best-known names in this branch of merchandising, has been in the business for only six years, he points out. Last year, he estimates the company turned over \$32m in the U.S. alone on licensed products. And as if to signal his own ambitions, he coos with enthusiasm over Coke'a recent link with a top U.S. design house to exploit the fashion market.

Dissociating his operation from the mass, he aligns it more with the smart and highly-priced merchandise offered under the Dunhill label

He dismisses questions about the market positioning of a Guinness face flannel or the difficulties of transferring the charisma of a beer brand onto

sheepish. But the garraneas be used. "They don't match the bowes, former managing director of Mirror Group News up-market image we are seekpapers, is quickly back into his ing."

Meanwhile, the entire book



Chris Parkes reports on the UK brewer's plans to exploit its name with a variety of merchandising initiatives

ing at the prospect of his next ventures. Once the catalogue pro-Once the catalogue programma is safely under way—
the face flannel, oven gloves,
and other oddments on offer
alongside £80 watches and £30
purses will be reviewed in the
light of orders—he intends to
have the "collection" on sale in
conventional retail outlets.
"I'm talking to two big store

"I'm talking to two hig store chains now." he says, wagging a thumh in the general direction of nearby Oxford Street. Another possibility is offering franchises to Independent retailers who would undestake to

executive baggage. "I'm used to you sceptics. Don't forget I used to run journalists..."

For an instant he looks sheepish. But the garrulous Bowes, former managing directions of confectionery, tobacco and newspaper outlets will not be used. "They don't match the

Fresh from launching The range has been revamped, the Guinness Collection, an exercise Guinness trademark prominent which involved delivering on every spine. The new-look almost 2m mail order gift cata-Guinness Book of Records prologues in the UK and the east motes the Record Breakers Almost a case of coast of the U.S., Bowes is buzz- Club, aimed at youngsters, search of a product,

which will encourage them and their teachers to take part in record breaking ventures. Associated with this is a 32-

page club magazine, with a circulation target of 80,000 by the end of the year. Its overall aim is to stretch the popular Christmas gift publication to record proportions with year-round sales and any number of spin-

He plans, for example, to develop a part-work series. "Take the cheetah the fastest land animal. That may have three lines in the book. In the part-work you could make a double-page spread."

Almost without a breath, he adds: "I'm a lateral thinker." He sees no limit to the potential applications of the book's database. It has been translated into 27 languages and the name is listed among the 10 best-known brand names in the U.S.,

Reaching out to the enormous television audience, the company is working on a show in co-operation with the BBC. In the U.S. it is preparing to roll out a new game show, a new version of the Guinness Report Breakers' programme which has been seen worldwide, and a series of animated cartoons. Bowes is also negotiating for Guiness to sponsor and develop an eight-hour mini-series for U.S. television.

Company agents are also seeking licensees willing to produce toy figures of characters from the book: the tallest human, the fattest . . Inaction

It almost goes without saying that the impetus behind this new venture came from Ernest Saunders, the man who in a few years has pruned the old firm down to its basics and is trying to build it back into a force in a handful of major husinesses. Bowes, granted "an open brief' by Saunders, stresses that the brewing business is no longer the key to the corporate identity. "Guinness Pic is striving for the image of an up-

market, high quality business operation," he says, Almost a case of a brand in

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Product.

### Contracts and Tenders



#### REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Comocratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES

(Ministry for Energy & Chemical & Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS

NUMBER 779/1K/MF

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:

Lot No. 1 — CHIKSAN high-pressure swivel joints.

Lot No. 2 — Butterfly valves and spares.

This Call for Tenders is intended for manufacturing companies only and excludes amelgamations, representatives of companies and any other intermediaries, in conformity with the provisions of the Law No. 78-02 of 11 Fabruary 1978, with respect to State Monopoly on Foreign Trade.

Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders mey obtain the specifications from the

following address:

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS (ENTP)

IS ROUTE DE MEFTAH. OUED SMAR. EL-HARRACH

ALGIERS. ALGERIA

Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Diners, with effect from the dete on which this notice

Is published.

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Tenderers shell be bound to their offers for a period of 180 days after the closing date
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#### REPUBLIQUE ALGERIENNE DEMOCRATIQUE **ET POPULAIRE**

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES (Ministry for Energy & Chemical & Petrochemical Industries) ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oi Exploration Company)

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NUMBER 0247 OW/MF

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Lot - Rock Bits.

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Law and Taxation

pagne down a squealing lady's cleavage. This is the very stuff of sophistication.

The individual performances provide the production's saving graces. Foremost among them is Beryt Reid whose batty hen persona la both funnier and more tonching than the Gingold grotesquerie of the film. Miss Reid'a cheerful apprehensiveness, not least when she gropes for the next line, marks the eternally optimistic and the eternally surprised. She can make observations like "Aticia was never conquered—she was

was never conquered—she was annexed" sound witty; and can without exaggerating inflect "how exciting!" with detirious

size of the sandtised role's abridge-tion as a cocotte, suffers from the sandtised role's abridge-

ment. She looks stately and greedy, but never resembles a

successful courtesan. The omission of all sense of Gigi's

socio-sexual grooming gives Amanda Waring precions little opportunity to develop her character.

character.

This is o shame since Miss Waring Is not only a beautiful younger version of her mother. Dorothy Tutin, hut obviously has spirit, intelligence and confidence. She sings with a pretty if small voice, but is deprived of one of the film's most charming numbers. "Say a prayer for

or one of the hims most charm-ing numbers, "Say a prayer for me tonight," If the part \cre not so negligible she would prove a worthy partner for Geoffrey Burridge's breezy

#### THE ARTS

#### Galleries/William Packer

## The age of discardment

When the Boilerhouse Pro-ject comes to the end of its tenure of the basement of the Victoria and Albert its overall achievement thus far, before ever it is translated and magnified into the proposed Museum fied into the proposed Museum of Design in the docks, is sure to be counted as rather more than the aum of its parts, add-ing up indeed to something subing up indeed to something substantial and significant. For time and again Stephen Bayley, its director, has teased and entertained and maddened us by the apparent triviality or affectation of his programme, and yet we come back for more, ever aggre 10 to away armined.

ever agog, to go away amused and intrigued.

His latest show, The Bag (until October 3), is entirely, typical, besides belng in sort a code or postscript to its imme diate predecessor, which to demostrate how sought to demostrate how national characteristics may be discerned in product design. Now, in his words, "more than 300 outstanding carrier hags from London, Paris, New York, Milan and Tokyo" have heen strung np en mosse simply to see what, if anything, such ephemera say about themselves as objects, and about the so tures which produce them so unselfconsciously.

They do not in fact say much

in terms of national difference, which in itself is interesting enough a result. New York may be graphically more mannered. Paris more decorative, London more matter-of-fact, but that is to be over-nice. Outstanding is areas of urban dereliction in perbaps too big a word for the tha North East of England, and material, but what we do see is the people who live in them; that in every centre of inter- and indeed it is the visual quite that in every centre of internal long commerce this obvious as much as the material porportunity for effective self-advertisement is being taken with equal style, grace and panache, by every company, large or small—the small especially—with the sense to see it. And the real point of the show, which is the point of the Boiler-house itself, is that even at this mundane, commonplace throws. acbe, by every company, large or small—the small especially—with the sense to see it. And the real point of the show, mundane, commonplace, throw-away-level, design is a live and away-level, design is a live and shle, strong and sure in compo-important issue, and that always sition and finely judged in mood good design is to be cherished and emphasis and moment. against the bad, for the insidi-There is behind it all, however,

The state of the s

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MES ; ... Mar

Willes State



in the hang) are truly memoragainst the bad, for the insidious and thoughtless effect it
has on all our lives.

The same point is made,
among many others and with
rather more overt seriousness,
hy the photographic show at the
Arts Council's Serpeotine Gallery (until September 29). An-

There is more photography, to say it is an easy formal or rather photographic work, as solution, but it can become so. or rather photographic work, as solution, but it can become so. subtle and ambiguous in its implications as one would wish, on show in the gallery at Canada House (until October 8). Visual Facts is the consciously ironical title which Michael Tooby, of the Graves Art Gallery in Sheffield, has given his selection from the work of eight contemporary Canadian artists. Sorel Cohen,

in a piece made up of several panels, poses easily and in-exactly to herself for her own exactly to herself for her own aelf-portrait, now here, now there, and is the painting a photograph, and how can that be? Paul Wong looked out of his window one morning to find a body, tately dead, lying in the road below, and worked in sequence, first from above and then outside as the incident developed the bady first dusted with show, then shrouted, recorded, lifted and removed. But was it just like that; and be with the presence of mind to he in two places at once; and the whole macabre tableau entirely natural and unplanned?

At the AIR Gallery, in Rose-bery Avenue (until October 6), Eric Bainbridge, a young sculptor who has already shown in Milan and New York, the holding his first artibition

North East, least of all any outand-out deprivation. The best
work bere is the most straightforward and the least particular. If the North East is special,
it is, in my recent experience,
in its social resilience and
dignity, and one would rather
look to the critical, ironical
distance of a Bill Brandt, for
example, to make the point.

Michael Simpson shares the
Galiery, showing four new huge
paintings in the central room.

There is more photography.

\*Anish Kapoor, at the Lisson
Gallery in Bell Street (until
September 23 only), is rather
more the London vetaran,
young as be is. And the work
is familiar too, very much so,
is familiar too

#### Gigi/Lyric

#### Martin Hoyle

The death last week of Isebel

Jeans in her ninetics recalled
her atylish grondg dame in one
of the most stylish musical films
of the fifties, the Lerner and
Loewe version of Colette's fable
about the innocent who wins
the beart of a roue.

Origically conceived for the
cinema, an adaptation arrived
on the Broadway claps in 1973

Originally conceived for the cinema, an adaptation arrived on the Broadway stage in 1973 and now receives its London première. The film's elegance and tongue-in-chic Gallic froth has evaporated in what emerges has evaporated in what emerges as a coarse-grained production of a coarse-grained ahow whose fatal nuceriainty of focus is illustrated by Jocelyn Herbert's schizophrenic designs. Elegant gauzes flown in against the hack brick wall of a theatre to acknowledge the plere's artifice reveal the sophisticated stylised reveal the sophisticated stylised approach of Jocelyn Jekyll Crude sets for Maxim's (with Crude sets for Maxim's (with its caff crockery and cruets) and the Catalan Restaurant, and a perfectly hideous lawyer's office that, would disgrace a weekly seaside rep bespeak Herbert Hyde.

The production by John Dexter, no less, is equally unsure. The curtain rises on a false proscenium of what looks like unpainted papier. Maché crowned with Art Nouveau tendrils as taperingly exiguous as

crowned with Art Nouveau ten-drils as taperingly exiguous as Josn-Pierre Aumoot's aprecha-timme delivery of "Paris is Paris" (except. evidently, when it's Shaftesbury Aveoue). Mr Aumont looks faintly yeary, which is acceptable in French charm, and alightly worried, which is not Unless borne on

superlalive form for their per-

formance on Tuesday evening

dent amour" offer no compeli-tion to Sondheim.

The result of directional in-decision can be detected in comic stick-on eyebrows and the distracting emharrassment of extras whose energetic mugging recalls the village ball. "She's so on-la-la, so untrue la-la," sings the hero pouring cham-



Geoffrey Burridge and Amanda Waring

#### Giuseppe Sinopoli/Festival Hall

#### Dominic Gill

His second-movement Ländler was on the face of it at least

This time at least he took the Urlicht at a pace which permitted Brigitte Fasshaender to unfold her "Rüschen" without indecent haste. But this lovely movement too is a case in point: Sinopoll does not really understand Mahlerian phrasing (especially where the phrasing (especially where the high and low tensions lie in a Mahlerian line). The direction was correct enough, in so far as it allowed most of the notes to be heard: but Miss Fass-haender's expressiveness found no echo at ail in her orchestral accompaniment. The finale, ohviously Sinopoli's favourite movement, was high-

The Philharmonia were on tently hrash, less bectic, less operialive form for their peroperiality form for their peroperiality formula of the conducting technique, formance on Tuesday evening of Mahler's second symphony—
the orchestral playing, as one-dimensional—the difference between a painting by a orchestral virtuosity pure and simple, was a joy to hear: hig, real artist and a painting by unanimous atrings, gioriously numbers. Sinopoli's Mahier full-toned, supported by a wind department that is still, in the still sounds and feels like music-by-numbers; a symphony subtlety and richness of its by rote, made up according to intonation, the peer of any in a recipe for inslant effectiveness. Play the really audience-gripping hits either very loud ducted, bas obviously thought a little more carefully about directions, and all the other hits Mahler's Resurrection symin between, the very thread and phony since last November: texture of the music, can look the direction was less insisthe direction was less insis- after themselves.

properly, correctly delivered— but notably without a trace of Landler charm; a telling com-parison would be Esa-Pekka Salonen's direction of the Landler in Mahler's fourth at last week's Prom, iess well played in purely instrumental terms, but infinitely more haunting, subtly nuanced, original. Sinopli's vision of the scherzo was that of a hrilliant, but mechanicat, sanitised tour de force-without any deeper resonance and in particular without any dark currents of disillusion, than the surface gloss of the notes.

#### New York Summer Opera

#### **Andrew Porter**

The New York City Opera, gan. Some changes had been The New York City Opera, which used to piay two loweek or so seasons, in the autumn and the spring, aharing the New York State Theatre with the City Ballet, now piays a single 26-week season, in the summer and autumn, Summer opera at Lincoln Center, while the Met houses visiting ballet companies, has proved popular. People like the "subtitles"— as a result Feliee Romani and People like the "subtitles"a summary running translation flashed on a screen above the stage. The company advertises itself as purveyor of a kind of opera where "you don't have a different action. The lack of theatrical nous to read up on the plot in advance. Or be concerned that in Serban's operatic work often puzzles me. His Covent Garden

Bellini were made to seem theatrical incompetents. Their text and score were devised for

Celicali Limited. 5 St Botolph Street. London ECJA 7DT

entrances in opera; during the solemn chorus "Norma viene" "masks are worn when the sha arrives, her tresses streaming, her brow crowned with verbens, a golden sickle in her band; she mounts the druidical when they are revealing their band; she mounts the druidical true feelings." By such simstence—and she sings ber first words, "Sediziosi voci." As Wera Amerighi-Rutiil, a formidable off Adalgisa's dress.

Norma of the 1930s, once told

it will take a long time for them to do so later." advance. Or be concerned that you won't be able to follow what's going on: You can just but the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's what's going on: You can just the pacing of Pyccini's the Adalgisa, offered the deftest singing of the evening. In the City Opera Norma, a dumpy little lady in stockinged when My City Opera, we give you won't be able to follow what's going on: You can just the pacing of Pyccini's feet and a short hlack dress, already on her knees before the unknown prince. In a New York operation that the pacing of Pyccini's and the City Opera Norma, a dumpy little lady in stockinged feet and a short hlack dress, wearing a gold apron and carry-ing a cloth, had been pottering about busily right from the start of the show. I thought she was revived with the temple cleaner. As the the theresting new with the transfurery is clums.

In the City Opera was a clean, the City Opera was of the effects singing of the evening. The first of this year's three plain Pollio—but vocally and dramatically, a callow NCO, not a Robert to deftest singing of the evening. The first of this year's three plain Pollio—but vocally and dramatically, a callow NCO, not a Robert to deftest singing of the evening.

The first of this year's three prix Italia awards for telestoners of the first of the shout A few weeks are devoted to operated this year The Student Prince and The Mikado. After revivals of La Rondine, Lucia, Cornen, La Cenerantola, and La Fille du Régiment, the first new production was Norma. It was, in fact, a revised edition of the Welsh National Norma produced by Andrei and designed hy Michael Year—and designed hy Michael Year—and designed hy Michael Year—and designed hy Michael Year—and of the great operation of the weeks are devoted to operated the operated the cherished letter from Germont of the start and often seemed perfunctory. Attila was revived with Samuel Ramey in the title roie. It's a difficult opera to hring off: the characters are unpleaded except Mr Sallis stays as much as he can showing is coarse. Four years ago the sang "Sediziose voci." What are the letter.

Traviata, his beroine treated the cherished letter from Germont of the show, I thought she was the temple cleaner. As the samuel Ramey in the title roie. It's a difficult opera to hring off: the characters are unpleaded except Mr Sallis stays as much as he can showing is coarse. Four years ago the sang "Sediziose voci." What are the letter.

Norma bas one of the great Traviata, his beroine treated the cherished letter from Germont of the show, I thought she was the temple cleaner. As the samuel Ramey in the title roie. It's a difficult opera to hring off: the characters are unpleaded except Mr Bennet's library where Mr Sallis stays as much as he can showing is coarse. Four years ago the is coarse. Four years ago the sang "Sediziose voci." What are the temple cleaner. As the

I didn't enjoy the show much. Norma of the 1930s, once told Elena Nicolai: 'The entrance in an opera is of the greatest importance... How you walk hold yourself, the kind of light your eyes give out... If they don't notice you when you come in, it will take a long time for them to do so later.'

The revival, conducted in a thin-biooded way by Christopher Keene, lacked brio. Ramey's singing was fine, but he's no 'actor, and no reactor to what's going on on the stage around him. A new lyric soprano, Linda Roark-Strummer wished what might he an attraction. pushed what might be an attrac-tive voice into edginess and unevenness; she looked good, moved well, and wore her cos-

### Pride and Prejudice/Haymarket, Leicester

#### B. A. Young

Peter Sallis, looking like consists of translucent rectan-when his love for Lizzy breaks everybody's idea of Mr Bennet, guiar screens, some mounted on out. Lady Catherine (Irene sits at bis desk, stage left. "It a revolve that can conceal or Sutcliffe) on the other hand, is a fact universally acknowis a fact universally acknowledged," it begins, and goes on
with the whole of Jane Austen's
first two paragraphs. I felt at
once that we were in for a
once that we were in for a
truthful account of this happy
reveal as required, suggest an
anteroom upstage or a narrow
walk in the woods.

Around them, the company is
once that we were in for a
truthful account of this happy
reveal as required, suggest an
anteroom upstage or a narrow
walk in the woods.

Around them, the company is
thatthum the pretty Regency ons-

though the pretty Regency cos-David Pownall has filleted it tumes and speech suggest that novel. moved well, and wore her costumes handsomely. It's a picturesque, richly costumed show. Lofti Mansouri's production had its risible moments hut was confident.

David Pownall bas filleted it a hit for his adaptation. There are some items missing, like balls are danced on a very modest scale.

It is fact universally acknowlets but the tale is fairly complete and spoken as far as possible in Jane Austen's own dialogue or a close imitation. dialogue or a close imitation. Naturally, this takes longer to speak than to read; sometimes
It prompts a moment's
impatience, especially when Mr
Collins is heing particularly
orotund; but it is likeably ele-

ledged that a play under the class. I recommend the even-control of a good director must ing with enthusiasm but it is a ledged that a play under the control of a good director must he in want of a suitable company. Bill Pryde's company is so-so. Peter Saliis is ideally cast, and well matched hy Pauline Yates as his matchmaking wife. Robin McCaffrey is a reserved Jane, Incky to have caught the eye of Mr Bingley (Stuart Organ); Tessa Peake-Jones is a suitably pretty and clever Lizzy, though I disliked her dramatic. recitation of Gray'a poem; and Amanda Harris makes Lydia as silly as her father heiteves.

But James Warwick's Darcy

her father helieves.
But James Warwick's Darcy

though she starts with aristo-cratic iciness, lowers it too far in her indignant anger. Ian Gelder's Collins is also too demonstrative: "Gray's stately and very formal" is what Jane Austen said.

David Pownall's conclusion, with its political round up and repetition of the book's first paragraph for the benefit of his three instant grandsons is first

American evening at the Dor-chester Hotel on November 25. is a wooden young man who suggests indifference more than pride and so loses his effect Trust Company.

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## Arts Guide

#### **Exhibitions**

### Medieval Art in Paris: The Abbots of

Chuny built their magnificient late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman Baths. Now a museum, it houses medieval works of art Goldsmith's work, carved attarpieces, ivories, fabrics, with two English Royal standards embroidered in the control of in gold on red velvet. In a rotunds of its own is a set of the Lady and the Unicorn mile fleurs tepestries – an allegory of the five senses, one of the masterplaces of medieval art. Musée de Chuy, Place Paul-Painlevé, Métro Odéon. eriume: An enchanting exhibition in praise of perfume assembles 550 ob-

praise of pertune assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the 19th century. Some were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamed in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. In Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 29.

#### WEST GERMANY

Hildesheim, Römer und Pelizzeus-Museum, Am Steine 1-2: Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 piaces, an extra 98. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assem-bly of Pharoan Art. Ends Nov. achen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, water-

The state of the s

#### Music/Monday, Opera and Ballet/Tuesday, Thestre/Wednes-day, Exhibitions/Thursday, A selective guide to all the Arts appeers each Friday.

colours and plastics from Joseph Beuys, covering the fifties and sir-ties. Ends Sept 29.

Essen, Villa Huegel, And dem Huegel: Turkish culture and art from the Os-man Empire. 500 works ranging from the 15th-19th centuries. Tha show includes glass, carpets, ceram-ics, miniatures and weapons. Ends Oct 27. Oct 27.
Cologne, Kunsthalle, Joself-Hanbrich-Hof I: The Fiancee Beloved, Sold, Exchanged, Stolen. The exhibition describes the role of women in different cultures and shows various marriage estamonies. It also dis-plays 2,000 paintings, photographs and costumes from various coun-tries through the ages. Ends Oct 10. WASHINGTON

### BRUSSELS

pera costumes from 1858 to the pres-ent including Zeffirell's Rigoletto, Bosquet's Traviata and Karl Ernst, Herreman's Clemency of Titus. Mu-sèe de Costumes et Dentelle. Until

#### ITALY

Sorence: Museo Archeologico (Piazza SS. Anumziata) — The Erruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Erruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20. Ends Oct 20.

Ents Oct 20.

Rome: Palazzo Venezia (Plazza Venezia 3): Passaggio Con Nigura – 57
works from the Borghese collection.
The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year

lection have been transferred to this site for the summer. Includes works by Titan, Verunese, Dunenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

#### NEW YORK

National Academy of Design: Culled from the larger Royal Academy ex-hibit, this view of Edward Lear's prolific career covers not only the famous illustrated limericks and verse but also landscapes and or-nithological studies. Ends Nov 3.

#### National Museum of American Art: 35

paintings by Alexander Hogue cap-ture the American Southwest through dusthowl and prairie in highly stylised svocative works from the 1820s to the present. Ends TOKYO

Modigliani: 130 works in oils, water-colours, and soulptures. National Museum of Modern Art, Kitanoma-ru Park (near Palace and Imperial Hotels and parts of Tokyo's casis near the Imperial Palace). Ends Sept 29.

Sept 29.

Iressures from the Silk Boad: 180 items from Central Asian area from 5th century BC to 10th century AD. Tokyo National Museum. Ueno Park, one of Tokyo's few parks. The greenery and space are a welcome respite from city concrete. Purchase an obersio hunchbox for an instant plants. A foregreeners explore the park. an obento hunchbox for an instant pionic. Afterwards explore the park and surrounding area full of history. (The nearby Shitamachi Museum, consists of a reconstructed tenement - typical dwelling of inner-city families in 17th-19th centuries.) Ends Sept 25. Closed Mondays.

## Sept 13-19

#### VIENNA

NETHERLANDS

Amsterdam Rijksmuseum Printroom Continuing its centennial celebrature, the museum has pot together a revealing exhibition of 60 of its finest Rembrandt drawings supplemented by a further 60 by anonymous Rembrandt pupils and followers to illustrate the extent of the master's influence. Ends Sept 29.

SWITZERLAND Martigny: Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (025/23978).

## Vienna 1870-1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle ~ Klimt, Otto Wagner, Schiele, Kokoshka, Aldulf Loos, Jo-Schiele, Kokoshka, Aldulf Loos, Josef Hoffman — in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Withgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one

and censored reality on the one hand and the illusions or fantasies hoven series celebrating Antal Dorati's (the orchestra's conduchand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethovan frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus, Ends October 5.

produced audiences of over 80 sold 75 per cent of capacity for per cent and a small profit, its Thursday series of three containing thanks to sponsorship from the Bankers Trust which put up \$100,000. In all the RPO produced a surplus of \$10,000 in 1984.85, but had to work a record 700 three bour sessions, more than any other orchestra, to end an in the black.

to end np in the black.

In the coming season the certs this season. Under its RPO will Itself promote 33 conprincipal conductor Giuseppe certs at the Festival Hall, 10 at the Barbican and 19 at Fairfield première of Takemitsu's cello the Barbican and 19 at Fairfield première of Takemitsu's cello Hall, where it is hetped by a concerto and will also perform £30,000 rise in subsidy from Messiaen's Truangalila symcorydon Council. The Festival phonie. Simon Rattle is conduct-Hall concert tomorrow features ing five concerts of French Vladimir Ashkenazy in an alture appear 30 times with the RPO of music by Britten and Elgar.

## Orchestras/Antony Thorncroft

## New sponsor for RPO

The Royal Philharmonic Orchestra starts its 1985-86 season at the Festival Hall tomorrow night in a huoyant moord, In the past year it has seen its turnover top £3m, its audiences average nearly 80 per cent, and its sponsorship revenue exceed £500,000.

Launching the season yesterday the RPO announced a new sponsor, PA Management Consultants, whose first venture during the year.

In addition the RPO has been hired by impressarios, mainly Raymond Gubbay, to appear in a further 50 London concerts. Among the artists it will play with are Menuhin, Periman, Stern, Jessye Norman, Galway, the Torteliers, Soderstrom, Pegorelich Lill and Cecile Ousset.

The Philharmonia also produced its annual report this

sponsor, PA Management Consultants, whose first venture duced its annual report his into sponsorship will aid the RPO by almost £50,000; it goes towards a seven-concert Beethoven series celebrating Antal Dorati's (the orchestra's conductions). The Philinarmonia also produced its annual report this week. It, too, was grateful to sponsors who have helped make good the Arts Council cuts in subsidy which hit at the main London orchestras. Its biggest Dorati's (the orchestra's conductor laureate) 80th hirthday.

The RPO has benefited by £400,000 from Nissan UK to capturing the services of cover the next four seasons. André Previn as music director. Their first big enterprise towards subscription advertisting for the South Bank in the summer, the Philbarmonia has already produced audiences of over 80 per cent and a small profit sold 75 per cent of capacity for its Thursday series of three con-

## **FINANCIAL TIMES**

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Thursday September 19 1985

## On risk, off balance sheet

designed to reduce risk, may bave increased it. The letter aent out on Tuesday by the Governor of the Bank of England, as part of a co-ordinated move by ell the Group of Ten central banks, urging the commercial banks to operste tight control of their off-balance-sheet risks, represents a welcome new urgency in facing this problem, but also a setback. The Governors, who had hoped in Basle to agree on common requirements regarddesigned to reduce risk, may bave increased it. The letter common requirements regard-ing such matters as capital adeque a in this highly compe-titive field, have so far failed. They are concentrating instead on using their moral suasion stronger perhaps in London than in some other centres—to insist on improved manage-ment standards. Such advice ought to be redundant. Un-

nappily it is not.

The worrying extent of the problem has been spelled out in recent speeches by the Deputy Governor, Mr Christopher McMahon, and by Mr Peter Cooke, the director responsible for prudential supervision. Both have been worried that the recent rush to financial that the recent rush to financial conglomeration—not quite so recent in the U.S.—has left managements over-extended, struggling to control businesses struggling to control businesses with which they are unfamiliar. Meanwhile, the rapid development of new instruments and new financial markets poses risks which can be very difficult to assess even given the fullest information, and of which some managements, according to Mr McMabon, seem almost nnaware. Even where they are fully on the alert, they may simply have to take on trust what their mathematical analysts tell them about risk.

The msthematical risks are involved in the area now generally known as risk packaging—trading in financial futures and options, and the provision of interest rate or currency swaps, sometimes for weil over a decade ahead. Here it may take many bours of calculation on a highpowered computer simply to assess the risks implied in a

While the market leaders in fields, who originate of the husiness, are certainly aware of the problem and employ high-level talent to tackle it, they do not always substantial U.S. banks, for capital sexample, have made heavy bibited losses in options trading. But policies. in any case, the risk is not con-fined to the prime movers. One purpose of their calculations is in the wake of deregulation; to decide bow far the risks and while it is good to know being undertaken can and that the central banks are should be laid off through the aware of the dangers much

experts. Banks who participate in such groupings as note issue facilities and revolving underwriting facilities (Nifs and sprudent.

Rufs, as they are already fami-liarly known), or issue paper

ing detail, two strands can be seen intertwined in these prob-iems: the growing demand of ordinary non-bank businesses for some insurance against for some insurance against tion—companies are deciding financial volatility, a service which certainly helps the real economy; and the desire of hanks to expand their business However, the plant reshuffles while avoiding the annoying demands of regulators for such things as adequate capital back-ing, which costs money. There is a threat here to sharebolders, for auditors are at least as puzzled as any of the other players in assessing and recording these risks—a worry reflected in the low rating of bank shares. Much more serious is the worry about the stability of institutions and of the system as a whole, and the consequent difficulties with

Threat

At the moment the problems are much more evident in the U.S. whare deregulation has the longest history and innovation is most aggressive, than in other markets. There banks, savings institutions and market intermediaries have been failing with depressing regularity. However, this is no cause for complacency elsewhere. As Mr McMabon pointed out, the risks are often greatest in the honey moon period before the losses

The consequent economic threat is also more apparent in the U.S. than elsewhere; the Federal Reserve is widely thought to have driven interest rates down almost regardless of the monetary consequences partly to prevent a wave of party to prevent a wave or failures resulting from excessive lending in the past to developing countries, to farmers, to the oll industry, and (in the consumer market), on the security of now failing real estate values. Since these problems are still getting worse rather than better, the Fed is increasingly preoccupied with sboring up the system through capital increases, and still inbibited in its open market

All these problems could spread rapidly to other centres should be laid off through the forward, futures and options markets, and they may well be passed on to less aware and sophisticated players. Thus the whole system is at risk.

Some of the major worries, bowever, may be matters for legal rather than computing experts. Banks who participate allow pleas for a level playing

UROPE'S CHEMICAL industry is in tha throes of a major npheaval. The battleground is bulk petrochemicals and plastics—once tha industry's biggest opportunity, now its biggest headache.

The past month has seen an extraordinary series of plant sales, mergers and closures. Hoechst is to sell its polystyrena sales, mergers and closures.
Hoechst is to sell its polystyrena
business to Shell; ICI and
Enichem are joining forces in
PVC; BASF is buying
Monsanto's acrylonitrile
business; BP and Bayer are in
talks on low density polyethylene; and Esso Is closing its
huge ethylene plant in Cologne.
The industry is splitting into

The industry is splitting into two camps. The experience of 1981-52 — when commodity petrochemicals in Europe made aggregate losses of several billion dollars—convinced producers that the only estimate ducers that the only retional approach to the sector was to get out of it. Some companies are doing just that: others have belatedly realised that the scale of their commitment makes such a course impossible. Their only option is to reverse the strategy—to bome in on specific commodity areas and

specific commodity areas and become as big as possible.

The resulting spate of activity is seen by the industry as a generally good thing. David Bynan, a director of ICT's petrochemicals division, says "I'm greatly encouraged. All these changes are in the right direction companies are deciding. atill fall short of addressing the

industry's central problem of overcapacity. Even Esso's closure of its ethylene plant at Cologne, together with the Sheli closure of e smaller plant near Manchester, does little more than offset tha giant new cracker at Mossmorran in Fife - Itself jointly owned by Esso and Shell

Again, the ICI link with Enichem of Italy on PVC will lead eventually to some closures. There is no question, though, of rationalisation on a scala commensurate with European overcapacity in PVC of around

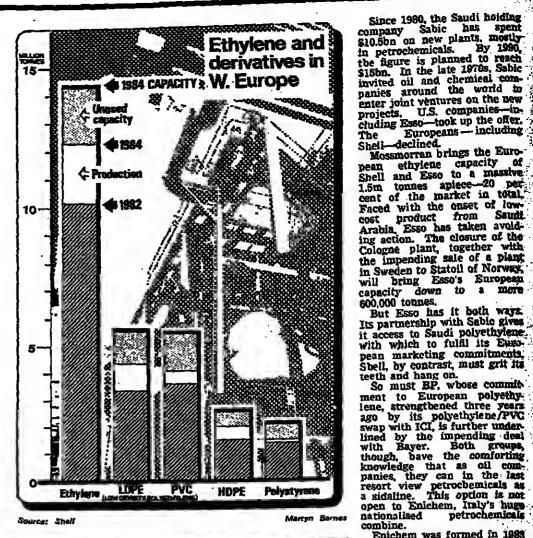
20 per cent. For ICI as for other companies, tha strategy is rather the reverse. By becoming as the reverse. By becoming as plant in the UK, thus necom-large as possible — the ICI/ plant in the UK, thus necom-Enichem combine will have 25 ing at a stroke Europe's big-per cent of Europe's total PVC gest producer of a decidely com-per cent of Europe's total PVC modity chemical used by the put pressure on smaller competitors, and ensure that overcapacity becomes someone else's The suddenness of the

rice suddenness of the industry reshuffle is revealing on another front. "We are all aware," David Bynan says, "that we are in a cyclical business, Demand bas been pretty strong in the past year or so, and when companies are running their plants flat out it is very difficult to take the decision to sell. But the next downturn is coming, and perhaps it is not so far off." The split between buyers and sellers of commodity plants is particularly acute in the German industry, Europe's biggest, Hoechst and Bayer are both adamant about getting out of commodities. Both are fortu-nately placed in having no inte-

petrochemicals such as ethylene. In the latest reshuffle, Hoechst is selling its polystyrene business to Shell, and Bayer is discussing banding European petrochemicals

## Suddenly the only option is to become bigger.

By Tony Jackson Chemicals Correspondent



commodities is long established, artificial fibres industry, and, will continue to gain BASFs higher expos strength."

gether with the sale of another plant earlier this year to the U.S. group Huntsman, takes the company out of polystyrene entirely. A year ago, Hoechst also cleared out of low density polyethylene, leasing its plant to Enichem of Italy. BASF, meanwhile, is on the

opposite tack. While spending enormous sums on U.S. acquisitions in the specialities field, the group is also buying U.S. group Monsanto's acrylonitrile plant in the UK, thus becom-

BASF's higher exposure to commodities is largely a matter of history. Along with Hoechst and Bayer, it was once a constituent of the giant IG Farhen chemicals combine. When the combine was broken up at the end of the last war, Hoechst and Parent begand the lim's eod of tha last war, Hoechst and Bayer bagged the lion's share of more sophisticated products like pharmaceuticals and agrochemicals, leaving BASF with e correspondingly large share of commodities. Thereafter, the group went further along the same road by involving itself beavily in oil and gas feedstocks. and gas feedstocks.

Doubtless with an eye to its two German rivals, BASF is coy about spelling out its policy on

point is put bluntly by one of the biggest of Europe's bulk petrochemical producers. Jim Gordon, worldwide chemicals co-ordinator for Shell, says:
"BASF have no more choice about staying in commodities than we do. There are too many eggs in the basket."

many eggs in the basket."

The oil companies—Shell,
BP and Esso in particular—are
of key importance to the European bulk petrochemicals
business. As Jim Gordon puts
it, "when the hoom in petrochemicals started after the war, the oll companies had an one over the equivalent of the equiv

and BASF joined in. We met each other with an almighty thump in the late 1970s, and the sky fell in."

The late 1970s elso saw the planning of what may well be the last giant petrochemical plant to be built in Europe for the foreseesble future—Mossmorran, the 500,000 tonne ethylene cracker on Scotland'a East coast. Shell and Esso, Mossmorran's joint current hard. morran's joint owners, have morran's joint owners, have recently diverged sharply on their approach to European ethylene production. The ethylene production. The reasons have much to do with one overshadowing factor in the equation—the start-up this yeer of huge new petro-chemical plants in Saudi

Remarkably, the group vir-tually broke even last year before financing costs. Its big-gest losses came in PVC, a fact which prompted the joint ven-ture with ICL also a heavy loss-maker in PVC maker in PVC.
Enichem would bave moved into net profit this year, had it not been for a fire which has attention on speciality chemicals and consumer products.
In 1983 RemaNobel sold off

put its biggest ethylene plant. in Sicily, out of action for et least 12 months. The fire was one of a series of accidents st chemical plants which have knocked out well over 10 per-cent of Europe's ethylena capacity.
By boosting ethylene prices,

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metion is member and included the analyse and included the included th

ing action. The closure of the Cologne plant, together with the impending sale of a plant

in Sweden to Statoil of Norway, will bring Esso's European capacity down to a more

600,000 tonnes.
But Esso has it both ways.
Its partnership with Sabic gives it access to Saudi polyethylene, with which to fulfil its Euro-

pean marketing commitments.
Shell, by contrast, must grit its
teeth and hang on.
So must BP, whose commit-

ment to European polyethy-

combine.

Enichem was formed in 1983 to pick up the pieces of Italy's

disastrous official policy on petrochemicals. Largely as a form of regional aid, vast amounts of Government money

had been spent on plants in the Mezzogiorno, Sardinla and Sicily. In the great petrochemicals slump of 1981-82, the

\$1bn lost by the Italian industry

came close to precipitating an Italian banking crisis.

In the subsequent re-organi-

sation Enichem was landed with all the problematic com-

modity areas (the apecialities went to Montedison, now

returned to the private sector).

the accidents have done much to create an atmosphere of slightly false optimism. "In base petrochemicals," David Bynan says, "there is still a degree of smugness around which one might not have expected at this stage in the cycle." Few people in the European

industry expect the next cyclical downturn to be any-thing like as ferocious as the last, if only because so much the meantime. But the last and most difficult slice of over-capacity remains, and the

#### THE CHALLENGE FROM THE NORDIC PLAYERS

THE PETROCHEMICAL producers of Scandinavia are playing an increasing rola on the European stage, Restructuring of the type now taking plece in Continental Europe is largely over in Scandinavia, through a similar process of sales and disposals. The bigger com-panies are now taking a band in the strategic moves going on in Continental Europe and

After a rapid series of deals, the Nordic petrochemicals and fertiliser industries are now largely in the hands of Norsk Hydro and Statoil from Norway and Neste and Kemira from gration back into the oil business, or even into the basic Denmark's Superfos has also

grown fast through acquisitions in the fertiliser sector, but it has concentrated its efforts ou Bayer is discussing banding over the marketing of its low it made Denmark's biggest ever density polyethylene to BP. investment abroad with the Hermann Strenger, Bayer's \$112m takeover of Royster, the chairman, says "our steady U.S. fertiliser company. In the move towards speciality cheminology and polymers as opposed to annual fertiliser output. the U.S., where late last year it made Denmark's biggest ever

the clear leader in the European fertiliser industry through a strategy built on acquisitions, beavy investment in new plants and e leading edge in tech-

It has made profits even in the worst years recently suf-fered by the European fertiliser industry, and has seen the problems of its competitors as opportunities for Itself. In the past couple of years it has fertiliser operations in the UK, it has bought out Veba's loss-making fertiliser operations in West Germany and it is negotiating the takeover of the loss-making Cofaz fertiliser group

Norsk Hydro, its much Europe. "Our basic ambition bigger rival from Norway, has is to be a low-cost producer," nor yet made the big step into says Mr Erik Tonseth, bead of production in tha U.S.—although it is the leading exporter of fertilisers to the U.S.—but it has emerged as the leading in the Nurseau little better." little belter."

Norsk Hydro has no home market to speak of and it has Kemira, the Finnish chemicals group, has come to a similar conclusion. Growth potential in its domestic market has been virtually exhausted and with a virtual monopoly position at home it is now moving abroad. Earlier this year it took over Esso Chemie's mitrogen fertiliser operations in the Netherlands. It is also internation Ising its other main activities and in recent times has bought a paint manufacturer in tha UK and a \$100m titanium dioxide plant in the U.S.

making Cofaz fertiliser group in France.

Each of these deals will put it in the number two position in tha three largest markets in

its PVC operations to Norsk Hydro, while Unifos, its polyethylene joint venture with Union Carbide of the U.S., was sold to Neste, the Finnish state oil company, which is expanding the district plactics. ing abroad in plastics, plastics processing and batteries to reduce its dependence on the oil industry. It is the availability of feedstocks from the North Sea that bas powered the advance of

Statol—it recently bought
Esso's Swedish ethylene plant—
and Norsk Hydro into basic
petrochemicals and plastics
materials, but their foreign
grapsing is necessitated above all by the need for new markets to supplement a limited domestic base. It is the withdrawal of the U.S. companies such as Union Carbide and Esso that has created some of the opportunities.

the U.S. companies and Capacity Femans, and the latest wave of reshuffling does not answer the problem.

"Commodities are beantiful." says Giancarlo Ghio of Enichem. "Provided," he adds. "that there is sound rationalisation in Europe."

## High risks in **Central America**

with Costa Rica and Honduras manifest willingness to detend all the ingredients now exist its allies. In Honduras, where for a small incident to produce two-thirds of the contras are rapidly escalating bostilities. In Honduras, where two-thirds of the contras are rapidly escalating bostilities. Is allies, In Honduras, where two-thirds of the contras are rapidly escalating bostilities. Is allies, In Honduras, are rapidly escalating bostilities. Is allies, In Honduras, are rapidly escalating bostilities. Is allies, In Honduras, where two-thirds of the contras are sufficient infrastructure to permission of Nicaragua if necessary. Indeed, it is the fear of providing a casus belli for direct U.S. intervention which bolds the Sandinistas back.

Tha Reagan Administration sees its support for the contras as a means of putting pressure and attacked in force near or over the border. Handuran troops became involved and a nationwide alert was declared. Faced with the prospect of a major escalation, wiser counsels prevailed. The incident has prevailed. The incident has provided the fundamental question of who rules Nicaragua. The Sandinistas are unwilling to talk with the contras until they lay down their arms; while the leader, Daniel Ortega, offering lay down their arms; while the to meet bis Honduran opposite contras believe, as does the number. President Roberto U.S., that time is against the Suazo Cordova.

evitable consequence of antiSandinists rebels using Honduras, and to a lesser extent
Costa Rica, as a safe haven for
training and logistic support.
Throughout the threee-year-old
campaign by the U.S.-bacekd
contras against the Marxistorieoted government in Managua, the safety of Costa Rica
and Honduras bas been their

are no satisfactory trip-wire
measures. Joint patrolling of
the Honduran-Nicaraguan burder, proposed by President
der, prop and Honduras has been their plan for Central America, it is greatest military asset. This has like a referee with no discibeen a source of great frustrapilnary powers. Without firm to the Sandinistas, who have to halance the need to initistive can make no progress. stamp out the contras against But it is increasingly clear that the dangers of becoming em-broiled in a broader conflict gua, as in El Salvador, are not

ALONG NICARAGUA'S border the Reagan Administration's with Costa Rica and Honduras manifest willingness to defend all the ingredients now exist its allies. In Honduras, where

regime in Managua.

Such an incident is an inevitable consequence of antiare no satisfactory trip-wire with their neighbours.

Until now the temptation to risk hot pursuit or border incidents has been tempered by conflict in Central America.

reshuffle

Reed's

Thomas Theobald, aged 48, who was Reed'a runner-up in the race to become chairman, shifts from Citicorp's huge commercial hanking business to take over as chief of its investment banking operations which have been going through something of a sticky patch. No doubt Reed and the Citicorp broad are hoping that Theo doubt Reed and the Citicory board are hoping that Theo-hald's loyal following within the bank will help smooth rivalries which are believed to have contributed to tha lack-lustre performance of the investment banking operations. Richard Braddock, aged 43, a close associate of Reed's and a keen fitness enthusiast, will move up a step in the corporate ladder to take over worldwide



Owen-but I'd still like a

### **Men and Matters**

A year after he stepped into Walter Wriston's Shoes as chairman of Citicorp, the largest banking group in the world, John Reed, aged 48, bas decided to reshuffle the bank'a senior management officers.

The changes, which had been widely rumoured, preserve Citicorp'a young management team almost intact while reshuffling responsibilities.

Thomas Theobald, aged 48, who was Reed'a runner-up in

responsibility for Citicorp's consumer. Lanking activities while Lawrence Small, aged 43, one of Citicorp's brightest rising stars, will move into Theobaid's old joh.

Meanwhile Paul Collins, aged 49, who had been hesd of the investment bank, will become Citicorp's North American senior corporate officer, taking over Small'a old job, and is also named chief planning officer The first Hong Kong to Peking motor rally, which has taken four years to organise. Impediators

In from the cold

Last October, Malcolm Walker and Peter Hinchcliffe were to be found dancing on the steps of the Stock Exchange. With the successful fiotation of Iceland Frozen Foods, a business begun in a strawberry patch had made them millionaires. Walker and Hinchcliffe met while working as junior execuwhile working as junior executives at Woolworth's. As a sideline, they bought a strawberry patch, sold the fruit, and with the cash opened a small frozen food shop. But Woolies did not take kindly to this moonlight ing-and out into the cold went the frozen food merchants.

More recently, the two of them; along with another pair of directors, tapped the market for a second time, selling 640,000 of their abares for a

more modest £3m between

"I think we all regretted not having asked for more when we floated," Walker told ma yes-floated," Walker told ma yes-terday. "And although we obviously did pretty well in October, we all wanted other things, such as bouses." At 38, Walker aces few limits At 38. Walker aces few limits to his frozen food chain. Half year profits, published yesterday, are up. By the year end, Iceland should bave 94 abops.

Tha model for Iceland, bowever, is not Woolworth. "We want to be the Marks and Spencer of the frozen food busi-

A CONTROL OF THE PROPERTY OF T

The first Hong Kong to Peking motor rally, which has taken four years to organise, limped into its third day yesterday, the previous day's racing programme and six special stages having been cancelled.

places, have been tamed by a factor that is uniquely Chinese the country's massive popula-

Even my man in Hong Kongwho just a week ago had a bone-shaking foretaste of the roads, or lack of them, that lay shead of the 36 race teams on the 3,400 km route to Peking—failed to predict trouble from sive for some and good

Though two of the tyres of his Toyota van had hurst, he forecast a comparatively easy time for the intrepid rally teams. After all, they had racing tyres, sturdy suspension, 400horse-power engines, a flotilia of support vehicles, and at least 28,000 public security officers to see them through the steamy heat of China's eastern provinces.
But in the event, it was the

vast crowds that lined the rally route, as keep to see their first Western faces as much as the gaudy cars roar past, that brought things to a balt. Last news was that the rally teams were driving meekly north in convoy from Wuhan-but that they hoped to start

Bank's ace The sppeal of Boris Becker, the

17-year-old Wimbledon cham-pion, as e symbol of youth, bope and success for his countrymen would seem to know no hounds. Young Becker has now been signed up by none other than Deutsche Bank, the largest West German bank, which has a proven record of picking winners. The Deutsche - for a consideration put by unconfirmed reports st a cool DM 3m
has secured exclusive rights in the hanking field to the Becker name for the next three

hank looking to the tennis courts to promote itself should not be too much of a surprise. Thanks to his Wimbledon vic-Thanks to his wimbledon vic-tory, Becker is prohably the world's best-known West German And Deutsche Bank has already raised a few eye-hrows with an expensive domestic advertising campaign Some of the world's most domestic advertising campaign fearless rally drivers, used to earlier this year extolling the merits of the Federal Republic. through the youth-cult figure of Becker it should carry the battle further afield?

Political expulsions are expen sive for some and good business

for others.

When I asked one Fleet
Street editor whether tha
Government would help pay
the repstriation costs of his man expelled from Moscow he exploded into what I can best describe as the fury of one unable to influence events. But a West Garman company,

specialising in moving diplo-mats' effects, is laughing all the way to the bank over its unexpected autumn windfall.

"It is bad for you, but good business for us." says Bragutin Bruasevic, the Moscow man for the Bonn-based firm. "We never bad so much business at this time of the year, and we are having to call in extra

Observer



SOME PEOPLE WILL NEVER HEAR OF ASTON TECHNOLOGY

The "I've never tried it but don't like it" mentality strikes at the very heart of modern technology,

And Aston Technology in particular.

Just how does a young, energetic god soundly figacoed British company get its name across? Does it boast about System Builder, the most powerful fourth

generation applications generator? Does it politely point to the Crystal multi-user business micro: range with an extensive library of applications software and full

hardware and software support? Or does it merely mention its reputation as PICK specialists? And hint at its impartiality by reminding you that it also offers

A telephone call to 021-359 4861 might be all it takes. But no matter how convincing our argument is, some people-

will always turn us down that.

PICK ("Perming System Thing Pick Scarem CPIN V (Colpius + ) Thing held Laforman in 1925 1.24 of 1925 2.25 maps



TECHFOLOGYLIN FOR THE LAST WORD IN FUTURE **ECONOMIC VIEWPOINT** 

## How to look at rival strategies Codes of conduct

By Samuel Brittan

AS FAR as economic policy le concerned, I have always found the structural reforms canvassed by the Alliance on matters such as wage determination and capital ownership e good deal more interesting then its more conventional cry for more infrastructure spending demand boosting in

The joint policy statement issued by the Alliance before the SDP and Liberal Party Conferences made e brave mempt to quantify the Alliance's current economic ideas. It is described as a "background document" and the figuring is in terms of the period up to 1987. Thus it is more a contribution to the current policy debate than anything which could commit Alliance leaders if they had e share in government after e 1987 or 1988

The basic problem can be stated fairly simply. There is no one-to-one relation between the growth of output and the creation of jobs. The unemployment figures depend also on such things as the rate of entry into the labour force of people, especially women, not pre-viously registered as unemployed; the effects of next October's revamping of National Insurance scales on the profit-ability of employing unskilled labour; the effects of the Youth Training Scheme, the expansion of the Community Programmes and numerous other specific

But having made these qualifications, it is still true that e major and lasting improvement in unemployment does depend on a reasonably rapid growth rate. The Treasury's projected 2 per cent per annum growth rate in the years ahead may, if achieved, be eccompanied by e continuing rise in unemployment or e very slight fall.
Which of the two it will be is a matter of luck and the timing and the impact of special schemes already mentioned

To make e real dent in unemployment, growth would have to be more like 3 per cent than 2 per cent, to name a necessary but not sufficient condition. One can easily agree with the Alliance thet, if unemployment is to fall by half a million by 1987, real growth cent than 2 per cent and, in addition, there would be the need for special measures

targeted on the jobless The main fault of the Govern-ment's strategy is that it identi fies excess pay as the main obstacle to more jobs, without doing anything very specific to prevent excess pay awards from

in its headline statements that boosting demand would not be

But I have the following onbt ebout Alliance strategy. If it really is confident that it can influence pay settlements in can influence pay settlements in an employment-creating way—in plain English to reduce them—it does not need a demand boost. The present growth of demand in money terms would be more than enough to boost ontput and employment if it were not trittered away in higher nay frittered away in higher pay

The Alliance recommends what it describes as a 25bn per annum budgetary boost—pre-sumably to take effect over the

gone through the ritual of putting their programmes through "the Treasury model." This is fer from a matter of just pressing a button and waiting for the results to come up on e screen. To use the model numscreen. To use the model num-erous decisions ere required by the user, about underlying assumptions and about alter-native variants of the model itself, as I discovered when I wrote sbout the model over three years ago to take my mind off the Falklands War.

Nominal GDP ...

Price deflator ...

Real GDF .....

occurring.
The Alliance is clear enough

enough to secure more jobs without what it calls "an incomes strategy," to make sure that growth is real and that the demand boost is not frittered away by rising inflation.

next couple of years. The Alliance researchers have

If anything, the researchers have been excessively honest in not trying out more assump-tions to find a more favourable

The simulations do indeed show growth at nearly 3 per

ALLIANCE SIMULATION % Chause GDP: output Unemployment (UK millions) ..... 2.64 Inflation\* (retail prices) ...... 5.9 7.5 Current Balance of Payments (£bn) ... +25 -2.2 -48 Exchange Rate (Sterling Index) ..... 75.02 74.4 PSBR (£bn fin years) ..... 7.1 16.7

cent per annum instead of the Government's 2 per cent in the next couple of years and s fall in unemployment of half a mil-

In the 12 months to Aug 1985.

Interest Rates (2mth Inter-Bank Rate)

Average Earnings .....

On the other hand, the Sterling Index takes a knock. As this is over a period when most forecasters would also expect the dollar to fall, e pretty sharp drop is surely implicit against the EMS currencies.

The UK also emerges with e substantial and growing current payments deficit. This is not the end of the world; but unless it coincides with an increased long-term underlying capital inflow, there could be further devaluation on the way.

The beheviour of sterling

must be one of the reasons why inflation is seen rising to 71 per cent by 1987 instead of fallper cent ss the Government expects.
The Alliance statement says

that if voluntary restraint cannot ensure e slower growth of earnings than at present, legislation for s tax on pay incresses would be introduced "in the second year." The simulation does not, bowever, show more than a slight dip in earnings in 1986, which does not last into 1987. The most that the Alliance can claim is that earnings might have risen still more under the impect of higher labour demand

Treasury Alliance

projection variant

aggregates.
The Alliance does not give

10.4

7.7

10.9

8.3

and rising inflation without its

Still, it is difficult to escape the conclusion that Alliance

policies have on this simulation

simply "bought" a reduc-tion in unemployment at the expense of rising inflation. Job

increases hought in this way are

The bottom table presents

own third varient. The assump-

happens on the ground in pay bargaining and other ways.

In the first line I have given

Treasury Alliance

variant

prejection.

S.B.'s

variant

HOW TO VIEW ALTERNATIVE POLICIES

% Changes

S.B.'s

variant

apt to be temporery.

explicit projections for Nominal GDP, although its spokesmen have quite often talked about basing demand management on this criterion. I have tried to translate the Alliance projec-tions into terms of Nominal GDP, roughly but fairly.
The second line contains the GDP price deflator. This is basically an index of domestically generated inflation and excludes imports.
The relatiooship between the more roughly Retail Price Index

although you would not always know this from the mumbo-

jumbo about the monetary

more popular Retail Price Index the deflator varies from year to year. I have assumed in the table that the deflator rises on average by some ; per cent per annum less than the

apt to be temporery.

To put it in commonsense terms; a 7½ per cent rate of inflation is not in British conditions a very good environment for promoting jobs, as the present Conservative Chancellor found when he took somewhat similar risks—although with interest rates and sterling—in an attempt to boost growth last The final line shows what is The final line shows what is left for real growth after taking account of erosion by inflation. I have given the Alliance the benefit of the doubt and have assumed that It can secure a 3 per cent rate of output an attempt to boost growth last autumn and winter.

But now I come to my nagging question. If the Alliance knows how to divert demand into real growth, whether by pay policies common framework in which to display Government projections, the Alliance alternative and my or by careful targeting of the direction of demand, why should it bother to boost nominal demand altogether? Why not tion is that the Government's monetary and fiscal policies can stick to the existing rate of demand increase and use the Alliance policy to obtain a better mix between output and

have e good deal of infloence over the trend of spending in money terms, which is measured by Nominal GDP. But the divi-Of course I know the political sion of this increase between higher pay and prices on the one answer to my own question. The Alliance is politically committed hand, and increased output on the other, depends on what to public expenditure increases and the rhetoric of infrastructure spending. Its backroom boys can do what they like with the numbers so long as they do not ditch approved policy en the Government's projections

1988

projection variant

S.B.'s

61

Treasury

for Nominal GDP. It is on these projections that its monetary and fiscal policies are based, route.

But to sort out the argument It is still belieful to press the questions. I have therefore inserted loto the bottom table a third suggested path of my own for nominal GDP.

Whereas envisages a failing path for nominal demand and the Alliance a rising path, mine envisages a fairly stable one; that is that we try to maintain the 7 per cent growth in demand, which has been expected in 1985, after adjustexpected in 1985, after adjusting for the temporary stimulus due to the end of the miners' strike. This avoids the two main risks to jobs from macroeconomic strategy: the one that the economy will be depressed by an insistence on reducing inflation too quickly; the other that it will be bit by a crisic of that it will be hit by a crisis of

rising inflation.
The worst that can happen on my third path if pay restraint other structural measures fail, is that output will not rise hy more than the 2 per cent projected by the Treasury, while underlying inflation will remain at 5 per cent, dropping very slightly over several years. If, on the other band, direct measures on pay and jobs do help as much as the Alliance hopes, there would be 3 per cent real growth and 4 per cent inflation over the next couple of years. In neither case is there a risk of accelerating inflation leading to a crisis

In an attempt to illustrate principles I have made the arithmetic more mechanistic than it can ever be in practice. The jobs outlook depends in the main in dealing with the kind of problems which lead to pressing lahour shortages some parts of the Midlands, side by side with scant job prospects for school leevers in other parts not far away. It depends on tackling the pricing-out-of-work culture more boldly than any Opposition party hoping to pick np voles from disaffected public sector workers can hope to

The role of economic strategy, macroeconomic policy, demand management, or whatever you like to call it, is more modest. It is to prevent real world difficulties from being eggra-vated by slumps in demand or inflationary shocks. It is a diffi-cult enough task to perform without claiming for it more than it can hope to achieve.

### Lombard

## in the City

By Barry Riley

THE Singer & Friedlander a little muddled over the standards is a reminder of the strains upon judgment that can be imposed by such a lucrative issue as British Telecom.

The news bas broken at the same time as tension is mounting over the list of names of allegedly illegal multiple applicants to the BT issue which is currently in the bands of the currently in the bands of the Director of Public Prosecutions. This matter is thought to be of personal interest to partners and employees of a number of leading stockbrokers and merchant banks.

It has emerged that the chief executive of Singer, Mr Anthony Solomons, and other staff and private clients of the bank, were allocated substantial numbers allocated substantial numbers of BT shares which eccording to the prospectus were intended for "institutional investors." After investigation, the bank has somewhat puzzlingly concluded thet those involved acted "bonestly and in good faith" but that there was "an error of judgment." The bank's internal rules are being changed. rules are being changed.

Such events can only damage the reputetion of the City of London in the eyes of the public at large, and they prompt various further questions.

Were there other Institutions were there ofter institutions in which shares allotted to so-called "priority applicants" last November were diverted into the bands of private individuals? Did they hreak any rules if they did so? Are they subject to the authority of any regulatory, body in such regulstory matters?

It is e curious fact that innt management is almost unregulated—though westme wbolly his will have to change once the new framework of financial services legislation has been installed. Investment manegers have enjoyed almost com-plete discretion and have been subject only to minimal dis-closure requirements—even to their clients, let alone to the

Standards have risen since the old days when clients actually expected merchant anks to enrich them through use of inside information and 'arough favoured access to new sues. But memories linger n, and it is not surprising that ome practitioners should get

company as opposed to the unit trusts it runs? In last month's Britoil issue an individual might also have made a tidy profit if he had got hold of an institutional allocation. Private applicants, of course, had to make do with 100 shares each.

None of this excuses Mr Solomons' error of judgment, but it does emphasise the need for a clear code of conduct to be imposed upon the fund man-agement industry. The mooted self-regulatory body for invest-ment managers should address itself urgenlly to the problem.

The self-regulatory route is The self-regulatory route is by far the most appropriete. Any code of conduct will bave to be applied flexibly in individual cases, and will have to be regularly changed to meet new circumstances. Usually public exposure and censure will be more suitable punishment than fines, though it will also often be right for the profits from irregular deals to be paid back. The inadequacies of a legalistic approach are shown by the clumsiness of the treatment by the authorities of the affair of the multiple BT epplications. Such multiple applications.
Such multiple applicants ignored a clesr warning in the prospectus that they should apply only once. There is an obvious case for quickly exposing their names and censuring them, but it is not so clesr that the offerce is an exposure at the the offence is so serious as to justify lengthy criminal prosecution.

In eny case the DPP is reportedly having trouble proving that any law was ectually broken. The legal euthorities will look ridiculous if, having proclaimed loud and clear through Kleinwort Benson before the issue that multiple applicants would be in breach of Section 15 of the Theft Act, they do not dare to prosecute the group of indivi-duals that were caught red-

#### Risk to friendly societies

From the General Secretary, Pioneer Benefit Society

Sir,—The last paragraph of Mr K. D. Williams' letter (September 16) will find an echo among many friendly societies who are concerned that their sales force consisting primarily of spare time agents, and district secretaries will no he able to meet the proposed life urance licensing provisions which will threaten the marketing of their traditional business. The provisions apply to any long term personal insurance or investment contract, not only to life assurance, and will for instance include the "Holloway" contract providing sickness and accident cover with in addition e lump sum payment on retirement irrespective of the claims experience, s contract which has been marketed by s number of societies since the last

The first of these societies was formed in 1875 by the philanthropist George Holloway, MP for Stroud, since when his scheme has helped many thousands in times of hardship. It is sold more by personal recom-mendation in e neighbourhood and on the shop floor than by the hard selling full time representative and its club style pro-motion by a Society's own members in their spare time must include not only an incentive award to those who generate it but also the completion of a simple proposal form, an activity for which e licence would be mandatory under the proposed regulations. The latter may be desirable for the full time appropriate state. the full time professional sales-man but may well drive many traditional friendly societies out business. Is this what the Marketing of Investments Board or indeed HM Government

voice be too small to be heard.

J. M. C. Hutton. 10, Wicker Hill, Troubridge, Wilts.

#### Supercharging

systems From Mr D. Tryhorn

Sir.-Your motoring article of September 14 tells us that the Volkswagen G-charger is 65 per cent more efficient than the Roots-type. Surely this cannot apply to the accepted definition apply to the accepted definition of efficiency, as the theoretical power to the actual power absorbed. By the laws of scale the efficiency of the Roots-type

## Letters to the Editor

Adjusted

strike

projection

increases with size from about 50 per cent to 70 per cent, suggesting that the G-type would range from 82.5 per cent to 115.5 per cent. This would put us well on the way to the perpetual motion gas-turbine, The figures would tie up

better if the word effective had been used instead of efficiency. This I would then take as the ratio of the density of the charge delivered to atmospheric, for example 1.2 for the Roots rising to 1.65 x 0.2 + 1 = 1.33. This would be expected to give s 40 per cent increase in torque, and is within the capacity of supercharging sysetms in this country. D. W. Tryhorn.

Lower Knowle, West Charleton Kingsbridge, Devon.

#### Tourism and jobs

From Mr B. Butler Sir,—David Trippier as the new Minister for Tourism has certainly taken on e challenging hut nevertheless uphill task. Why? In Lord Young's report to Parliament "Pleasure," lelsure jobs" he quotes a figure of 50,000 new jobs in tourism a year. As upwards of 1m people are em-ployed in tourism full-time this

That target is one conjured up end widely quoted by Mr Duncan Bluck the chairman of Any statutory or self-reguletory licensing provisions must recognise the special position of friendly societies if they are to continue to market their excellent non profit making contracts among their traditional customers, nor must their increase of 10,000 jobs in Scot-land and Wales. In what pro-portion should this figure be dividend between the two coun-

ries?

Now let's look at England rather more closely. According to the ETB annual report, over a two year period 1983-84 and 1984-85, the board's financial aid scheme has helped only to create \$755. Full-time equivalent jobs. 3,756 full-time equivalent jobs
—a very small contribution to
the expected 40,000 new jobs a year. So bow, when, where and by whom is the 40,000 figure to be achieved? Reducing red tape will only contribute to e small

Durham, Northumberland and Type and Wear) are employed in tourism. If the suggested 5 per cent is used as a norm, this would mean an increase of 3,000 jobs e year in the region. In no wey is this target echievable. In my opinion 2 per cent is nearer the mark. And I would bazard e guess that this per-centage also could be accurately applied to all four northern regional board areas.

. If this supposition is correct, then obviously the vast majority of the estimated increase is likely to take place in England's south, thus widening the northsouth, thus winering the north-sonth divide. To redress this potential imbalance, Lord Young will need to consider the creation and scheduling of tourist development areas to stimulate development and employment in those under-developed areas which have a considerable tourist potential, as for instance the Anglo/Scottish border country. The so-called Industrial Development Areas of the 1960s, which then included service industries, were extremely successful in genera-ting new hotels and attractions particularly in the north east. But that did not occur overnight. It took up to five years to achieve e substantial improve ment in the region'e tourism infrastructure.

It is not unreasonable to ask means an annual increase of 5
per cent. Lord Young and Devid
Trippier have been set and
accepted quite a target. I will
accepted quite a target. I will
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money wisely? £300,000 grant to an inter-national hotellier to build a luxury hotel in prosperous Brighton seems to me to be inexcusable. Clearly, the ETB policy on financial assistance needs radical reappraisal. There is widespread dissatisfaction in the way in which the scheme is being edministered. The entrepreneurship of the small property and the small property of the small property prietor needs much greater en-couragement than hitherto. The "big boys" are better equipped to look after themselves—and

Bill Butler. 7, Relton Place,

#### Privatisation of business schools From the Principal

London Business School Sir .-- Your report (September 16) on privatising business schools unfortunately misquotes me. This school is antonomous degree.

To examine this situation a with its own board of governors. Completely in its hands with its own board of governors. Some 60,000 people in the north east (Cleveland, is earned through post-experi- 1 Uplands Close, SW14.

ence programmes, in-company programmes and various re-search grants, all of which are fully self-supporting. The remaining 28 per cent is received by way of a govern ment grant and is put entirely towards the support of young British students on our postgraduate MBA programme Thus, already private in legal quarters private in income terms. The issue for us is not privatisation per se, but rather the future of the MBA pro-

We recognise, and would welcome, the greeter freedom that could come from full privatisation. Nevertheless we are epprehensive as to how, and in what form, our internation-ally recognised MBA programme would survive such a financial cut-back with the fees for British students approximately quadrupling. The nation is short of able young managers, and a diminution of post-graduate numbers would surely he detri-mental to the desired growth within the British economy. (Professor) P. G. Moore, Sussex Place, NW1.

### Land for

#### housing

From Mr N. Bowie

Sir,—In your issue of Septem-her 14 Sir George Young, Environment Under Secretary is quoted "High land prices are the builders' problem, not ours."
That is patent nouseus

Prices are governed by supply and demand. Where demand is strong and supply weak prices rise, whether of land or any other commodity.

House prices in the sonth east are rising unhealthily above the rate of inflation and this pushes up wage demands. It is not uncommon now for the land content in a house price in the sonth east to be around 45 per cent as compared with 20 per cent-25 per cent elsewhere in the country.

The only way to bring down house prices is to reduce the price of land and the only way to do this is to increase the supply of land available for residential building and, in some instances, the density of houses per acre. The respon-sibility lies clearly and firmly in the hands of central government and nowhere else to zone more land for residential use and provide the money for the pagic services. The Government is committed

reducing inflation and it is failing to use one of the more important weapons which is completely in its hands.





## FINANCIALTIMES

Thursday September 19 1985



## Setback at Unipart may delay sale of BL subsidiary

By Kenneth Gooding in London

BL. Britain's state-owned motor vehicle group, might have to delay the planned sale to the private sector of Unipart, its replacement parts distribution subsidiary.

The doubt over the sale, scheduled for November, follows a fall in its operating profit, the only level provided by BL, from £8.9m to £4m. The figures were revealed in BL's half-year results, announced yesterday, which showed the group suffered a £44.5m (\$60m) loss. There are no comparable figures because Jaguar's results were included in those for the first six months of 1984 when BL declared a net loss of £34.9m. Jaguar was returned to the private sector in August last year.

RL's figures suggest, however, that, apart from Unipart and the bus business, which is suffering from a slump in demand, all the other operations moved in the right direction during the half-year. But high interest rates had an adverse

impact on the net result. Ironically, problems with the Ed-munds Walker distribution business - acquired from AE in August last year for \$15m and designed to make Unipart a more attractive proposition for privatisation - were mainly responsible for the fall in

Unipart's profit. Although Edmunds Walker provided Unipart with another 120 outlets and 30,000 motor-trade accounts to add to its components distribution business, it was suffering a net loss of about £5m a year. It has proved more difficult than expected for Unipart to pull the busi-

ness back to profit. Unipart has now decided to draft in more of its scarce management resources. Mr Neil Warwick, formerly sales manager of Unipart In-ternational, has become managing director of Edmunds Walker's automotive division and taken a small

management team with him. Any substantial delay in the Unipart privatisation process would embarrass the BL board which is under pressure from the UK Gov-ernment to sell off more of its operations following the successful £297m disposal of Jaguar.

· Aveling Barford, the Granthamgroup, has made a substantial recovery after its purchase from BL by a U.S. entrepreneur in December 1983, writes Ian Rodger in Lon-

Yesterday, the group, which suf-fered large losses in the late 1970s and early 1980s, reported a return to profitability in 1984. Net profits reached £1.2m compared with a loss of £7.2m in 1983. Turnover was flat at slightly more than £30m.

#### French budget entails cut in real spending

Continued from Page 1 Beregovoy, the Finance and Economy Minister, said.

The Government also announced yesterday that it would pay back the forced loan it raised in 1983 when it first brought in its econom-

ic austerity programme.

The special obligatory loan raised FFr 13.7bn for the French Treasury and was due to mature next June The Government will repay the loan next January in view of the improved state of the economy and to help reduce further its interest

M Bérégovoy made another call during the presentation of the bud-get yesterday for a lowering of French interest rates to help stimul-

ate economic activity.

The Bank of France is now expected to reduce its money market intervention rate again probably as early as today.

The new rigorous budget will lead to 4,300 net job reductions in public administration next year, with the largest cuts in the Post and Tele-

## Thatcher ends tit-for-tat after Soviets expel six

BY ROBERT MAUTHNER IN LONDON AND PATRICK COCKBURN IN MOSCOV

its diplomatic confrontation with the Soviet Union after Moscow had expelled another six Britons in re-taliation against the six Russians ejected from the UK on Tuesday. Mrs Margaret Thatcher, the UK Prime Minister who was informed of the latest Soviet reprisal while on a visit to Egypt, told journalists: "We shall not respond further to their wholly unjustified expul-sions."

Moscow's action brought the number of diplomats, journalists, trade officials and businessmen, expelled by both sides, to 31 each since last Thursday, when Britain initiated the tit-for-tat moves by ordering 25 Russians named by the Soviet KGB defector Mr Oleg Gordievsky out of the country.

The six Britons expelled by Mos-cow yesterday include Mr Ian Christopher Sloane, a First Secretary in charge of cultural affairs at the British embassy, four military attachés, a communications officer

BRITAIN yesterday put an end to correspondent, Mr Martin Nesirky. The reasons for the UK Government's decision are not difficult to find. Mr Mikhail Gorbachev, the Soviet leader, had reacted with unexpected toughness to the punitive steps taken by London against Rus-sians in Britain, identified as intelligence agents by Mr Gordievsky, former head of KGB operations in

A third round of deportations by Britain would have been pointless, given Mr Gorbachev's "eye-for-an-eye" tactics, which broke with past Soviet practice in cases of this kind.

Up to last Thursday, Moscow had usually responded to the expulsion of its "spies" from Britain by sending home a smaller number of Bri-tons, in line with the smaller size of the British community in Moscow than the Russian community in

Suggestions that Britain's wish "to draw a line under this affair," as the Foreign Office described the

terpreted as weakness were vigorously rejected by officials. The fact that the heart of the Soviet Union's intelligence activities had been broken was a major achievement and could hardly be interpret ed as a defeat, they said.

Sir Geoffrey Howe, the British

Foreign Secretary, admitted that the whole affair had been "a severe etback to UK-Soviet relations, but that was not Britain's fault. "The Soviet authorities must bear the full responsibility for this la-mentable episode," Sir Geoffrey

said. Sir Geoffrey still expects to have bilateral talks with Mr Ednard She vardnadze, the Soviet Foreign Minister, in the margin of the United Nations General Assembly meeting in New York next Monday. Sir Geoffrey hoped the Soviet Union had finally learned the lesson that improved relations could not be bought at the expense of the UK's

Warning on disruption to

## Greece arrests three for spying

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK Government any esterday that Mr Michael Megalnounced last night that two computer engineers employed in the private sector and a navy lieutenant have been arrested on charges of spying for the Soviet Union.

The arrests come 3% months after disclosures about Soviet intelligence activity in Greece, reportedly Greece." They have been charged made by Mr Sergei Bokhan, a First with spying for the Soviet Union Secretary at the Soviet embassy in and violating state secrets. Athens, who defected to the U.S. at

have been familiar with the activities of Soviet intelligence in Greece and in his debriefing reportedly disclosed the involvement of Greek military personnel and private citizens in spying for Moscow. The Interior Ministry amounced

oeconomou, a computer engi working in Greece for ITT, Hewlett Packard and Standard Electric, and Mr Nikos Pinitsoulis, described as a computer businessman, both "colcial Soviet representation in Greece." They have been charged

A separate announcement by the The Soviet diplomat is said to lis Serepisios, a lieutenant employ- summer, and this is understood to save been familiar with the activi- ed in the records office of the naval be the cause for a delay in the apcommand until being transferred to a less sensitive post last August, interest of a foreign power.

strate that it is acting to plug security leaks to the Soviet Union when a team of U.S. State Department and Pentagon officials arrive in Athens later this month, to initiate discuslaborated with members of the offi-cial Soviet representation in Security of Military Information

American anxiety over leaks of military technology from Greece to the Soviets was reportedly aroused ice Ministry said that Mr Vasi- by Mr Bokhan's revelations this summer, and this is understood to proval by the Pentagon of an export icence for 40 F-18 fighter sircraft was arrested three days ago for for the Greek Air Force. Conclusion questioning regarding leaks of information agreement is unformation vital to the national derstood to be a prerequisite for the

## Hernu defends French forces against Greenpeace allegations

Continued from Page 1

vices as promised by M Laurent Fabius, the Prime Minister, at the beginning of the month.

approach as being marked by "confidence and intransigence." He said he would not allow the reputation of senior officers to be called into question.

In taking such an uncompromis-

ing stand, in the face of considerable circumstantial evidence, M Hernn is evidently counting on the opposition supporting him in de-fence of the armed forces and France's nuclear interests. • The Government in general was

yesterday facing up to the Green-peace storm with a stiff upper lip. Most ministers were smiling as they emerged from the weekly Cabinet meeting over which the affair

bung like a nightmare.

Mme Georgina Dufoix, spokeswoman for the Government, said yesterday that the administration's only concern was "to establish the truth." This followed M Hernu's formal denial on Tuesday night that a third French team had been in-volved in the sinking of the Rain-bow Warrior. He also said that his Ministry had certainly not given or-ders for the ship to be blow up. There is no doubt that President

François Mitterrand's administration has been badly shaken by the allegations made in Le Monde, Newspapers like Liberation, normally sympathetic to the Govern-ment, carried front-page headlines yesterday morning that bore the word "lies." Le Monde returned to the attack last night asserting that had not begun to answer the discre-pancies in the official account of the

The second round of the Greenpeace affair is potentially far more France were prepared to shrug their shoulders at the incident, in which a Portuguese photographer died, because the French nuclear deterrent - and hence France's se-

curity interests - was involved. "second round" brings additional evidence, apparently tending to confirm that the French secret services were responsible. But the accusations go well beyond that. In addition to the claim that M Hermi and the three senior officers lied to the official inquiry, M Mitterrand is implicated because as President he is head of the armed forces - a role on which he much insists - and thus responsible for his immediate

> However, according to Le Monde, the President is also implicated be-cause he was "alerted" by M Pierre Joxe, the Interior Minister, on about July 18, eight days after the sinking regarding the involvement of the DGSE in operations in New

Zealand. It is still not clear exactly what M Joze told M Mitterrand but the in-ference is that the President already knew a great deal before setting up an inquiry whose "official" purpose was to get to the root of the

affair.

The combination of alleged lies and "covering up" is leading the French press and opposition to speak of another "Watergate." The charge against M Mitterrand in its extreme form, as formulated by M Roger Chinaud, a right-wing deputy, is that "he has lied to the French more than Richard Nixon did to the

The most immediately worrying ers. factor for the Government, however, is loss of credibility. M Hermu's statement on Tuesday was
treated sceptically by the press. It
was also greeted sceptically by
many in the Socialist Party including the former government spokesman M Mar Callo. ing the former government spokes-man, M Max Gallo,

The Le Monde journalists who prepared the report are considered by Socialist officials as "serious" and having access to well placed sources. There is little doubt that Le Monde - which is sometimes dubbed unkindly by the opposition as the government Pravda - would not have put the article on its front page and returned to the attack yes-terday if it had serious doubts about

the authenticity of its information. Pressure on the administration from the Socialist Party to pursue more detailed enquiries has been fanned by recent statements by M Fabius, emphasizing the Socialists' concern for moral values and their determination to discover who the culprits are.

The Government seems to have it believes responsible. Until now the Government has maintained it had no additional information; but last Friday officials at the Elysee were saying that they had their

more than Richard Nixon did to the Americans.

The dragging of M Mitterrand's those responsible. The difficulty name into the affair is threstening those responsible. The difficulty with this route is that with less than six mouths to go before a parpolicy consensus that will reinforce liamentary election, the Governhis domestic position. It could unment has no wish for a purge that dermine his prestige in advance of could go right up to the Elysee the critical duel he will conduct Palace itself.

## Warburg launches issue of stripped **UK** gilts

ZEBRAS galloped into the Euro bond market yesterday as S. G. Warburg resuscitated the idea of zero-coupon bonds backed by UK Government securities. The first at tempt at gilt stripping, made by Quadrex Securities last month, failed, but this issue looks likely to

The zebras - zero-coupon Eurosterling bearer or registered accruing securities - are backed by four gilt-edged stocks maturing between 1992 and 1996 and paying coupons in January and July each year. They will be held by a Dutch company which will issue the zero

oupon bonds. Seven of the comons and the four principal amounts are being sold at a discount as zero-coupon is sues. A few of the coupons are be-ing rolled into the principal amounts to add to the size, and

Principal value	price	Redemption date
26.5m	78.15	25/1/88
£6.5m	75.15	25/7/88
25.5m .	71.48	25/1/89
26.5m	67.90	25/7/89
25.5m	64.40	25/1/90
E5.5m	61.05	25/7/90
£6.5m	<i>57.</i> 90	25/1/91
£30.74m	53.55	25/1/92
232.00m	46.10	25/7/93
£40,00m	39.70	25/1/95
£45.00m	35.00	22/1/96

hence the liquidity, of these por-tions. The pre-1988 coupons have been sold separately. The issue proceeds total 194295m, while the redemption amounts total £193.24m.

The structure of the issue is more sophisticated than the Quadrex is-sue, and solves many of the prob-lems which that deal brought to light Quadrex found that the individual coupons were hard to sell, while there was good demand for the corpus, the principal amount. By taking four gilts, Warburg is increasing the proportion of the total issue which comes as the more sttractive parts.

The issue was also carefully pre syndicated to ensure a smooth aunch, and the major marketstill had taken no action to remedy the first. The first round brought next year when he attempts to keep makers in Eurosterling paper are the "deficiencies" in the secret serthe DGSE under suspicion. Many in the Socialist flag flying at the Ely heavily represented in the eightsée Palace if the right wins a major strong group. However, the bonds ity in the National Assembly.

See Lex; Eurobouds, Page 19

### Co-founder of Apple resigns

Continued from Page 1 his plans to manufacture compu-

ters. In a letter addressed to Mr Mike Markkula, Apple's vice chairman and former president, Mr Jobs claimed that Apple's board "appears to be adopting a hostile posture toward me... accordingly I must insist upon the immediate accept-

ance of my resignation."
"I find myself both seddened and perplexed by the management's conduct in this matter, which seems two ways of getting itself off the perpiered by the management's two ways of getting itself off the perpiered by the management's hook. The first is to rebut the Le conduct in this matter, which seems to me contrary to Apple's best

Mr Markkula, said, however, that as chairman of the board Mr Jobs is responsible for protecting Apple and acting in the best interests of the company. In light of recent events, the board continues to evaluate what possible actions should be taken." The company has consulted its lawyers.

For Apple, Mr Jobs' public state-ments have come as a severe emme feeling like I'm living in a reallife version of television's Dynasty soap opera. Mr Sculley said on Tuesday.

Dissension between Mr Johs's Macintosh division and the Apple II division is believed to be at the root of Apple's current problems. A conflict between Mr Jobs's role as company chairman and booster of the Macintosh sometimes at the expense of Apple's other products emerged over the past year as Apple managers complained that the Apple II divison did not receive due

Mr Jobs is expected to fund his new company with each raised from the sale of Apple stock. In recent weeks he has announced plans to sell Apple shares worth approxi-mately \$20m. He currently holds a 9 per cent stake in the company. Ap-ple's shares were \$1 higher at \$16% at the close yesterday, against

## THE LEX COLUMN Fleet in its

United Newspapers' attempt to take over Fleet Holdings has never looked likely to be an easy winner From the moment that United picked up Mr Robert Maxwell's stake in Fleet, the Fleet share price has kept irritatingly out of United's reach, a distance which yesterday's Fleet defence document seems unlikely to narrow. Bolstered by a substantial rise in profits for the year to June – showing £28.5m be-fore tax against last year's £22.2m – Fleet was in a good position yesterday to exchange courtesies with United as to which group had the

more effective management.

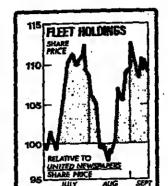
Although the quality of management is presented by both sides as the major point at issue, that will scarcely decide the outcome of the struggle. United has criticised Fleet for not tackling the fundamental problem of its Fleet Street costs and fir evading the issue of over-manning by loading its presses with an extra title, the Star. Yet it is an empty question what United would have done in Fleet's place at the time, and it is scarcely irrational of

Fleet to allow other proprietors - in-chading Mr Eddie Shah - the luxury of taking on the print unions. As things stand, whoever owns the Daily Express in a couple of years' time may stand a chance of producing on a much lower cost base than it has now, with a huge effect on the potential profitability of the titles; but United is not the only catalyst or even the main one. Though United's chairman is a past master at arranging underwriting and will probably have to try his powers again if his bid is to succeed

- United's own shareholders will have to ask themselves if the current odds on a Fleet Street revolution make the dilution worth their while. And Fleet shareholders will

#### **Zebras**

An unhelpful tax regime in the UK has made the menagerie of stripped bonds difficult to transplant from its native habitat on Wall Street. The failure of a stripped gilt issue put together by Quadrex a few weeks ago has not, however, stopped others from try-ing, as yesterday's Warburg issue known as Zebras - has shown, there is sometimes a premium for



rities would be of interest only to offshore or gross funds, Warburg was able to concentrate its market ing effort in the right places. And for Warburg to call on the full weight of Alcroyd and Rowe & Pitras' chances; a foretaste of the new gilt-edged market. But how you price things is as important as who you are; compared with Quadrex's from next to nothing in the first "Stags," the shorter-dated Zehras half of last year; but since Wool-(which represent the gilt coupon worth earns almost all its profits to payments) are much more gen-erously discounted, while the longer-dated Zebras (the principal repayments) are enlarged by rolling

in part of the interest stream. Though the City Zebras may not multiply very fast, yesterday's marketing suggests that they at least have greater survival potential than

#### **UB/Olives**

The market has chewed its way through a good deal of United Bis-cuits paper lately and was re-warded yesterday with yet another belping a £30m placing to finance the purchase by UB of a Californian olive business. Fortunately for UB, the deal is such an evident bargain that there seems no danger of the market choking - beyond marking the share price down 3p yesterday

The seller, Early California Industries, is in some distress: swamped by import competition in its rice and bulk wine businesses, it is seeking to reduce a crushing level of debt as a prelude to a buyout. beautification. And the shares, un-Whatever the earnings multiple a changed yesterday at 480p, imply a perfect market would place on prospective p/e in the mid-teens, a black cocktail olives. maximum price of \$73m does not the size of the task.

battle order made \$10m before tax in the year to last March, is growing at roughly 18, per cent a year (gluts permitting) and has relatively low requirements

for fixed or working capital.
On a cash basis, Early California Olives would cover its financing costs both in the last quarter of this year and next year; and that still leaves something to gain if olive products of UB's San Francisco operation, Specialty Brands, It may not matter that the olives seem to have been bought because, like Everest, they were there; but in branching out at this stage of the U.S. soft cookie war, UB is display-ing a salty confidence that will need to be justified by events.

#### Woolworth

Yesterday's results from Wool-worth, while hardly wondrous, were reasonable enough to keep the sailers in the rest of the market at bay. Pre-tax profits have risen to £7.5m from next to nothing in the first the second half, these figures do little more than give a shadowy out-line of the way the new-look group

B&Q confirmed its position a one of the retail sector's stars, with profits up 37 per cent – and not just through opening new stores. Comet, on the other hand, earned no more in the six months than it did in half the time last year. If Comet's per-formance indicates Woolworth's skill in acquisition, shareholders may prefer the proceeds of May's rights issue to be spent on existing

The F. W. Woolworth stores mannaged to bring their losses down from £25m to £15m, pointing to the prospect of a small profit for the full year. Woolworth is still faced with the problem of how to make a halfway decent return on turnover of over e billion pounds in retailing. Its tentative solution is to invest heavily in refurbishment, to focus

the stores only on their successful ranges and to improve their merchandise. But even if Woolies does find a workable formula, there are still nearly 800 candidates for

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## World Weather

## **EEC** spending row

Continued from Page 1

year of membership. Officials ex- 2.4 per cent compared with 1985. pressed disappointment that noth-

In the event, the figures allowed for the social and regional funds are bleau summit last year. less than the proposals submitted

tural Policy to support farm prices. remain below I per cent

they are not in deficit in their first total will only rise by an equivalent The British budget rebate of Ecu ing had been done to answer their 1.4bn was also approved without ar-case.

The whole budget is based on the by the Commission for the 10 mem-ber-states, let alone for 12.

assumption that all the member states will ratify an increase in states will ratify an increase in The only area where there was their contributions to Brussels minimal disagreement was on the from the present 1 per cent value-largest single item - the Ecu 21hn added tax (VAT) ceiling to 1.4 per proposed for the Common Agricul- cent. The British contribution will

Both Spain and Portugal had ar. That figure includes a provision of gued for extra spending to be in- Ecu 570m for the two new member-cluded in the budget to ensure that states, although in real terms the

tlement reached at the Fontaine-

Company chiefs' pay-the £221,000 question

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terlwanh.

Supplied the state of the state

Michael Page City International Recruitment Consultants London Brussels New York Sydney Amember of the Addison Page PLC group DOES IT PAY an ambitious executive better to seek a top job in a United States multinational's subsidiary rather than in a company owned elsewhere? The question is topical because of the controversy over the settlement made by Standard Telephones and Cables with its recently resigned chairman and chief executive Str Kenneth Corfield.

which the company is to go on paying him until he reaches normal retirement age oext January—is thonght by some STC shareholders to be too high. Moreover there are signs that the same view is shared by Lord Reith of Castleacre, who has temporarily taken over who has temporarily taken over STC's top post.

Lord Kelth told his shareholders the other day that one reason why Sir Kenneth receives so much is that his salary still reflects the pay policy of the U.S. multinational ITT, which until three years ago had the controlling interest

The answer is evidently yes, at least where the top two ranks in the subsidiaries are concerned. That information

DOES IT PAY an ambitious comes by courtesy of the British arm of the international manarm of the international man-agement consultancy Towers, Perrin, Forster and Crosby, which today publishes its latest report on pay and benefits practices across the globe. It also beppens to have been called in by STC to belp to sort out the troubled company's executive rewards structure. executive rewards structure.

Althoogh professionally barred from commenting on STC's case, the consultancy tells me that for the past half dozen years it has kept track on some 70 U.S. groups' subsidiaries in Britain.

In terms of total cash earnings—salary plus incentive bonuses and the like—those subsidiaries' chiefs have consistently been paid about a third more than their counter-parts in companies oot owned in America. Executives at the oext rank down typically do better by 15 to 20 per cent. Below that there tends to be no significant difference. significant difference.

ago had the controlling interest in STC. The American group's policy was epparently to reward top people in its overseas subsidaries in line with the higher executive pay levels of its home land.

Is the same policy adopted by U.S. multinationals in general? The answer is evidently yes, at least where the top two ranks in the subsidiaries are concerned. That information

But since the incentive payments never covered more than about 15 per cent of the gap, the American subsidiaries' chiefs are typically a good deal better off in terms of basic

While Sir Kenneth Corfield might have been on less than £221,000 hasic if it had not been for ITT's former ownership, his salary is nevertheless low by the standards of the U.S.-based chiefs of comparable American Belgium companies.

STC's turnover in its last full accounting year was £1.97bn, or of current exchange rates almost \$2.65bn. According to the lotest checks of the international Wyatt consultancy group, the average basic salary of U.S. chiefs of companies in the \$1bn.82bn turnover bracket the \$1bn-\$2bn turnover bracket is the equivalent of nearly £282,000. The average of those heading companies of more than \$2bn annual sales is over £350,000.

I have been unable to obtain corresponding figures for the chiefs of comparable British companies. Concerns of STC's size are so few that relieble pay statistics for their chiefs cannot be calculated, says Peter Stevens of the Remuneration Economics consultancy.

In terms of total cash pay rather than jost basic salary (Sir Kenneth Corfield's total in his last full year was £297,000)

THE GAP BETWEEN TOP OFFICE AND SHOPFLOOR Total cash Total cash 4.05 4.99 5.53 5.67 5.85 6.47 6.51 7.46 7.88 8.09 15.75 19.90 72.30

the rewards of heads of British in e new permanent chief to groups around the £2bn turn- take over from Lord Keith. over mark vary widely. Richard Giordano's last full year's total international pay comparisons, as chief of BOC was £771,600 for instance. Derek Palmar's, so head of Bass, was £112,162.
So it seems impossible to judge whether the former STC chairman's £221,000 basic is above the true going-rate for the top post in the British concern of comparable importance.

Before we leave the topic of readers might like to scan the table above which I have compiled from the Towers, Perrin, Forster and Crossly report. For each of the 19 countries the table takes the total cash rewards of a typical chief of a company and compares them with the corresponding rewards of a typical chief of a company and compares them with the corresponding rewards of a typical company and compares them with the corresponding rewards of a typical company and compares them with the corresponding rewards of a typical company and company a The best answer, as Peter ponding rewards of a typical Stevens says, will be how much manufacturing worker in the the company has to pay to bring same land.

rigbt-haod graphically illustrates the reletive differences between richer and poorer in various nations. As you see, the time the shop-floor worker has to put in to match the total of the same country's chief ranges from 4.05 years in Australia and Swedeo to the best part of a working lifetime to Brazil.

#### New venture

GEOFFREY KING of Cambridge Executive Search seeks someone who combines busi-ness leadership talents with thorough understanding of the very latest electronics technovery taxest electronics techno-logy as managing director of e new venture. The job, based in Cambridge, is to take up a business plan and a readily recruitable team of engineers and swiftly create a company canable of exploiting a new capable of exploiting a new process with an estimated international market potential of

Salary op to £40,000 plus up to a tenth of founders' equity. Other perks include a car. Mr King—whose address is
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CB2 3LL; telephone 0223
31316 — may not name the
people behind the project. So he
promises to ebide by any applicant's request not to be identified to them at the respec

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**£**Exceptional

Our client, one of the foremost names in the Eurobond market, seeks a high calibre Trader with at least twelve months experience in either dollar straights or FKNs, This experience should have been gained in a recognised market making house. This is an excellent opportunity for a first move and remuneration for the successful candidate will be highly

For a confidential discussion of these positions: please contact Hobert Digby, Christopher Lawless or Stuart Clifford.

> Financial Recruitment Specialists 16-18 New Bridge St, London EC4V 6AU Telephone 01-583 0073



appearing.

#### **Development Capital Executives**

GRESHAM TRUST p.l.c. one of the leading City Institutions providing long-term capital for medium-sized private companies, require e Senior and Junior Executive for key eppointments in their expanding management

The role of the Senior executive, who ideally will be aged 30, will involve appraising investment opportunities, negotiating eppropriate terms and conditions and the monitoring of performance, as a non-executive director, of companies within the Group's investment portfolio. The Junior Executive, aged 25, will be expected to assist

in the appraisal of unquoted companies seeking permanent

The successful candidates will have had several years' experience in a similar institution or possibly with appropriate training in a firm of solicitors or accountants.

Please write in complete confidence with full career details to:

Norman F. Baldock, Managing Director GRESHAM TRUST p.l.c. Barrington House, Gresham Street, London ECZY 7HE

## Merchant Banking Group

## Group Financial Director

Our Client is one of the foremost Merchant Banking Groups in the City of London. Their interests now include traditional Merchant Banking activities, a strong presence in International Capital markets and a substantial involvement through acquisitions in Inter-national Stockbroking and Market Making.

The Bank sees its future as a large integrated International Investment Bank providing the full range of banking, securities trading and investment management services worldwide.

Our client currently seeks a Group Financial Director who will play a major part in the integration and development of their businesses over the next few years. This is a new appointment and one which will report directly to the Chief Executive.

The position calls for a person in their late thirties or early forties who combines a sound technical knowledge of modern accountancy practice with an understanding of the changing nature of the international banking and securities industries.

Such a person may already be working within the Banking scene or afternatively may be a Partner in a major International Professional Accountancy or Consultancy practice. It is also possible that he/she could be the Financial Director of a major public company.

Personal qualities are of particular importance in this role and an exceptionally high degree of commitment and capability is called for. The initial remuneration is open to some negotiation but is, in any case, unlikely to be less than £70,000 and, in addition to this, there will be the normal banking benefits.

Please write in confidence to Colin Barry, Senior Partner, Overlon Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355. Please include a detailed and specific curriculum vitae stating achievements to date and current remuneration.

Overton Shirley & Barry

## ST HILDA'S COLLEGE.

OXFORD

#### Appointment of **Treasurer**

Applications are invited from men end women for the full-time post of Treasurer in this women's college from 1st January (or as soon efter as possible) to be responsible to the Governing Body for financial planning and control. Experience of financial manegement and edministration is essential.

Full particulars should be obtained from the Principal Oxford OX4 1DY to whom opplications (8 copies) should be submitted by

FINANCIAL

**FUTURES** 

A City-based inter-

national commodity trading house requires a FINANCIAL FUTURES

ACCOUNT EXECUTIVE

Continuous expansion

of the company's

activities in the futures

and options markets both in London and the U.S.A. creates this

opportunity for an

enterprising, dynamic

personality to maintain

current client contacts and to seek new

relationships.

Candidates should apply in

confidence with full c.v. to Box A.9120, Financial Times 10 Cannon Street London EC4P 4BY

#### International Capital Markets

## **SENIOR MANAGER**

£25-30,000 + Car + Benefits

Our client, an international bank, is rapidly expanding its activities in the provision of new fee generating business.

A recent reorganisation within the bank has created the above position, representing a key rôle within a specialist division, which is responsible for secondary as well as primary market activity in commercial and sovereign loans. Applicants for this challenging rôle will be graduate bankers aged under 35 years who have sound international credit and marketing skills, particularly in the area of corporate financial services together with fluency in at least one other European language. Previous asset trading and swaps experience will obviously be a distinct advantage.

The bank views this as an outstanding opportunity which offers attractive prospects for personal development. It demands a highly motivated and numerate individual with creative commercial flair. An attractive salary within the above range will be negotiable according to experience together with an excellent bank benefits package.

Please contact Leslie Squires. Telephone 01-588 6644 or send a detailed Curriculum Vitae to him in the strictest confidence at the address below.

Anderson, Squires Ltd., Bank Recruitment Specialists, 127 Cheapside, London EC2V 6BU

Anderson, Squires

#### TRAINEE BROKER

A VACANCY HAS ARISEN FOR A TRAINER BROKER The auccessful applicant will be aged 23+ and or a smart appearance. No pravious experience measures full training will be given. For a confidential interview telephone

on 81-283 7230

#### Appointments Wanted

Ambitious and innovative UK Fund Manager (30, MBA FINANCE)

SENIOR CREDIT ANALYSTS looking for sew challegs. Would be interested in hearing from recently or well-established London-based basks who dealer an off-the-pag credit department to effectively support their growing marketing shorts.

Write Box A.9125, Financial Times 10 Cannon Street, London EC4P 48Y

## **Management Consultancy**

P-E is one of the largest and fastest growing management services businesses in the country. Our clients range from small high technology companies to large national and international groups, nationalised industries and government departments. We now have several opportunities for suitably qualified personnel to join our Business Consulting Practice. This Group provides strategic planning assistance to major cliants and is angaged in cost structure and organisation reviews, the development of management control and management achievement plans.

These positions offer excellent amployment conditions with an attractive benefits package including non-contributory pansion,

car and performance related reward.

#### Senior Sales Executive (Ref. SS)

This is a senior position within the Practice as part of a small dedicated team. The role is concerned with obtaining additional business by further penetration of existing markets and the expansion into new sectors. Applicants should have a good knowledge of management consultancy, successful selling experience and the ability to sell high quelity management consultancy services at board level.

#### Business Development Leader (Ref. BD)

To develop our expanding activity in the overall business development of our clients and assist them with their long term strategies. The role will involve both the management of client projects and the assistance in the growth of the client base. Senior consultants with good industrial and commercial experience are invited to apply. They should possess a first degree or

#### Business Consultants (Ref. MC)

Several vacancies exist for business consultants working at boardroom level and providing assistance on the development of company strategies and cost effective organisation structures. This rola requires good enelytical skills, sensitivity and the obility to communicate clearly and persuasively. Suitable applicants will probably be in their early 30's, with a background in several business environments. They about a numerate and possess a first degrae or aquivalent qualification.

Please apply, with a CV and quoting the reference, to Alan Marshall, Managing Director, General Management Consulting Division, P-E Consulting Group Ltd, Park House, Wick Road, Egham, Surrey, TW20 0HW.

#### P-E Consulting Group Ltd

PE

#### OFFICE SERVICES COMMUNICATIONS INVESTMENT BANKING

For this new position we invite epplications from candidates aged 28-35 with at least 3 years' practical experience dealing with all aspects of the ordering of supplies and maintenance of equipment and office services.

The successful applicant will report to the House Services Manager and will be expected to adopt e "sleeves rolled up" approach with the principal responsibilities being maintenance of premises, equipment end office services, ordering stationery and other supplies, control of messengers, basic communications and cost control of these areas. thasa areas.

Good communication end supervisory skills are essential. An excellent remuneration and banafits package is payable to the successful

Please write in confidence, andosing a curriculum vitae, to Box A.9131, Financial Times, 10 Connon Street, London EC4P 4BY

LEADING CITY STOCKBROKER, PART OF MAJOR FINANCIAL GROUPING. SEEKS

#### INVESTMENT ANALYST

to join established team in food manufecturing/tobacco/ retailing. Applicants are likely to bave gained specialist research experience in one or more of these sectors with a stockbroker or investment institution, or will be working in a financial capacity within one of the industries. They will possess the analytical and communicative skills needed to prepare reports and to market research-based ideas to institutional clients.

Competitive salary plus profit sharing. Excellent prospects. Write, in confidence, with c.v. to Box A9109, Financial Times, 10 Connon Street, London EC4P 4BY, giving names of any firms to which applications should not be forwarded.

## EHutton

COMMODITIES, MONEY MARKETS, AMERICAN SECURITIES **Account Executives and Sales Assistants** with established Middle Eastern contacts

Here in London, in both our City and West End offices, we are extending our services for the Middle East.

We are therefore looking for individuals with substantial commodities, money market and US securities experience PLUS established Middle East contacts; any Arabic speaking ability will be an advantage as will a CBT or NYSE qualification.

If you have a familiarity with American brokerage work style, and have a significant contribution to make to E.F. Hutton then we will negotiate a remuneration package which will attract the best talent available in the market.

Please write in strict confidence to:

**Administration Director** 

E.F. HUTTON & CO. (LONDON) LTD. Princess House, 152-156 Upper Thames Street, London EC4 Tel: 01-623 0800

## Major US Bank **UK Marketing**

As a result of continued expansion in its commercial banking activities our client, a New York money centre bank, currently seeks additional marketing executives for two of its London based business development teams. The bank has a considerable international presence and, with its extensive product range, is a market leader in many

\* Aged 28-35 you must have extensive marketing experience at a senior level together with full credit skills. You will have developed a sound understanding of all major bank products including lending, foreign exchange and capital markets. At Assistant Vice President level, you will join a long established and experienced tram, taking full responsibility for an industry sector.

\* Aged 26-30 with US bank credit training you must have at least 2 years' marketing experience, preferably dealing with the UK subsidiaries of US multinationals. Working within the corporate group you will be actively involved in a successful team marketing capital markets, treasury and traditional banking products to these subsidiaries. With full account responsibility you will be expected to utilise the full resources of the bank to service existing customers and develop new business.

Salary packages including banking benefits in each case are competitive and will be negociated according to ability and experience. Those interested should contact Christopher Smith on 01-404 5751 or write to him, enclosing a comprehensive curriculum vitae, at 23 Southampton Place, London WC1A 2BP, quoting ref: 3547.

Michael Page City International Recruimment Consultants-London Brussels New York Sydney A member of the Addison Page PLC group

## Shepherd Little & Webster Ltd

Banking Recruitment Consultants

MONEY MARKET DEALER

£20,000/£25,000

Sharp, aggressive Dealer with potential for rapid career development is required by this international bank enjoying a first class reputation. Joining the Money Market Section of 5 you must have considerable depth of US\$ Deposits experience and also have traded C.D.'s and F.R.A.'s (Sterling and Futures knowledge also an asset). Applicants with the appropriate background and attributes should be in their mid 20's.

Please contact Paul Trumble

For new bank opening Spring 1986. This is a key appointment requiring a person of high calibre and extensive "hands on" operations experience — computers, dealers back-up, accounting. Previous set up experience would be highly advantageous for candidates who should be in their mid to late 30's.

Please contact Paul Trumble

MONEY MARKET/BOND SETTLEMENTS One of the City's biggest investment banking firms is seeking an additional executive of Assistant Manager level. Prime responsibility will be for daily management of the trades processing area in the capital market support group. Previous experience must be from the securities industry and cover the settlement and control procedures

tor a wide variety of instruments. Candidates are expected to be skilled man-managers, highly ambilious and seeking early opportunities for further responsibility.

Please contact David Little

PERSONNEL OFFICER

Mojor international bank in the City has a new opening for a young personnel professional aged between 26 and 32. Candidates must have banking experience. The position reports to the Head of Personnel, responsibilities will be for recruitment, employee benefits and welfare, with some involvement in compensation and

An important aspect of this appointment will be the introduction of someone who will enhance the creditability of a proactive personnel function.

Please contact David Little

Ridgway House 41/42 King William Street London ECAR 9EN Telephone 01-626 1161

## **Capital Markets**

**Excellent Packages** 

Our client is a major force in the International Capital Markets. They are keen to talk to selfmotivated individuals who, having some futures, bonds, or swaps experience, now seek the scope to progress on merit.
Please contact Simon Kennedy
or Fiona Stephens, who will treat
all eoquiries in confidence.

Kennedy Stephens

International Recruitment Consultants 44 Carier Laue, Loudon EC4V SBX, 61-236 7367

Associates in New York and Tokyo

Manufacturers & Suppliers Schemes

**Senior Manager** to spearhead **Business Development** 

City based attractive package to £35K

**FORWARD TRUST GROUP** 

Forward Trust Group, a member of the Midland Bank Group is a dynamic market leader providing financial services to both the industrial and commercial sectors throughout the U.K. We are expanding our activities in vendor sales old through a policy of innovation and growth and we wish to appoint a Senior Manager to spearhead these developments through.

leadership of our Manufacturers & Suppliers Schemes This is a key position demonding an experienced Manager

with creative drive and obility Responsibilities include developing sales support schemes for capital equipment in growth industries and overall cantrol

You should have in-depth knowledge of Finance House operations — particularly leasing activities — together with experience of high-level negotiation with major componies. Heading a team of negatiators, you will provide a focal point for the negatiation, development and control of specially designed sales aid schemes for major corporate

We offer an attractive package to \$35K including company car, non-contributory pension, subsidised mortgage and

Please write with full CV and details to: Paul Birch. Parsonnel Manager Operations, Broad Street House, 55 Old Broad Street London EC2M 1RX.

## invest Your Ability

Fully utilise your proven investment experience and contribute to the success of this expanding and progressive financial services group. They operate through specialist companies involved in life assurance, pensions, unit trusts, banking and investment services and are now seeking additional Investment Managers in the following areas:

#### Far Eastern Funds

The unit trust company with over £1.3 billion under management offers a wide range of funds in the UK and internationally and has developed an excellent reputation for consistent long term fund performance. You will join an existing fund manager covering the Far East and take responsibility for the portfolios of three Far Eastern unit trusts.

In your mid to late twenties you will have two or three years investment experience in the Far East either as a fund manager or analyst. You will enjoy working within a team framework yet, be capable of making independent investment decisions. Ref: 1346

#### **Private Client Portfolios**

Reporting to the Managing Director you will have full responsibility for managing a portfolio of clients comprising private individuals, family trusts and small institutional funds. A key aspect of your role will be to develop new business opportunities and promote the company's services to potential customers.

In your thirties you will have a sound background in investment gained in a fund management company or private client department of a stockbroker or merchant bank. Enthusiastic and outgoing you are a good communicator and will be attracted by the chance to influence the company's development. Ref: 1347

Both positions are based in the West End and offer excellent career prospects together with competitive salaries and company benefits which include a company car, non contributory pension scheme, free life assurance cover, BUPA and profit sharing scheme. Please telephone or write quoting the relevant reference number in complete confidence to Barbara Lord, Senior Consultant, Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

## **Courtaulds Pension Fund**

## **Investment Fund** Manager

An experienced investment manager is required to manage the Courtaulds Pension Fund which has a value of over £500M. The fund has shown consistent good performance over 15 years and the trustees are seeking a manager under whom this level of performance

The portfolio is equity oriented both in the UK and overseas but also includes fixed interest, index linked and direct property. The location is the head office of the Group in Hanover Square, London W1.

dates must have had a record of good performance in a senior position in investment management.

An attractive salary will be offered to the right applicant.

Please write in confidence giving full personal particulars and details of experience to: A. G. Beaumont, Group Management Development Department, Courtaulds PLC, PO Box 16, 345 Foleshill Road, Coventry CV6 5AE.

COURTAULDS

## **Fund Management**

Our client, a leading City based financial group, has a vacancy et e senior level, in the investment Department. This vacancy provides the opportunity for applicants with fund management experience to join e small team responsible for the active management of both trading and long term international investment funds.

Applicants, male or female, should ideally be in their late 20's or early 30's and be graduates or professionally qualified. Applicants must have had experience with either a financial institution or stockbroker. A good knowledge of Far Eastern markets, particularly Japan is essential as is an ability to trade and professional as in a principal professional as it an ability. to trade and research on own initiative. Applicants with less than five years relevant experience would not be suitable for this appointment.

Salary will reflect the high personal qualities required. Attractive conditions of service include a generous mortgage interest subsidy scheme, company car and assistance with relocation if necessary, Confidential Reply Service: Please write with full CV quoting reference 0985/DT on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 36 East Street, Bromley, Kent BR1 1QS.

> **CHARLES BARKER** ADVERTISING · SELECTION · SEARCH

Capital Markets

**Traders** 

## Foreign Exchange Dealer

HOLBORN, LONDON

£17.500

British Gas wishes to appoint a foreign exchange dealer to be responsible for handling its foreign exchange exposures, together with the operation of its U.S. commercial paper programme in New York.

This appointment affers an apportunity to join a forward looking and commercially orientated Treasury department whose range of activities is likely to expand in the coming

The successful applicant is likely to have obtained several years experience of foreign exchange dealing in a financial institution or major company. The preferred age range is 25-35 and a degree or professional qualification, although not essential, is highly desirable. Benefits are those normally expected of a large progressive organisation, including assistance with relocation expenses where appropriate.

To apply please write with full career details, and quoting reference FIN/00050/002, to: The Personnel Manager, British Gas, 59 Bryanston Street, London WIA 2AZ.

an equal opportunities employer

Standard Chartered Merchant Bank is seeking to make further key appointments in its rapidly expanding Capital Markets Division. The requirements are for one Senior Trader in Floating Rate Notes and two Fixed Rate Securities Traders.

The successful candidates will have proven market making capabilities and an established track record of successful trading, preferably with one of the major institutions in the market.

A competitive remuneration package is. offered together with the normal banking

Written applications, accompanied by a full curriculum vitae, should be sent in confidence

The Personnel Manager Standard Chartered Merchant Bank Limited 33-36 Gracechurch Street London EC3V OAX

Standard & Chartered

Standard Chartered Merchant Bank Limited

## BUSINESS DEVELOPMENT AND FINANCE DIRECTOR

**Expanding Capital Goods Group** £30,000-£40,000 +

This group of companies, turnover £50m-£70m, is a world leader in a sophisticated market sector. It is expanding by development and by acquisition in the UK, US and other parts of the world. It is itself a part of a major UK engineering pic which is making funds available for its development. Control systems are an important

Your job would be unusually wide in scope. Key tasks would be planning, and assisting with implementing, the world-wide business development of a group of autonomous companies and providing financial guidance to their financial directors. Success in these tasks would lead naturally into senior general

You need to have held a serior position in finance or business development in a major manufacturing group. A qualification in accountancy, economics or business administration is needed. Age: 30-48. A salary of up to £30,000 will be paid. The excellent bonus scheme could raise the remuneration to £40,000 or

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the company.

Business Development Consultants (International) Ltd 63 Mansell Street, London El SÄN



## **Money and Securities Broking**

Butlers, leading international money brokers, is continuing to expand its operations in the money and securities markets and is looking for

#### Trainee Brokers

Successful applicants will have an outgoing personality, be self-assured and enthusiastic. They will be aged between 20-25 and will have had some exposure to The City.

Attractive starting salaries and excellent career prospects.

> Butlers Where markets meet

Please write enclosing CV to Ann Margison, Butler Till Limited, Adelaide House, London Bridge, London EC4R 9HN

## CORPORATE FINANCE EXECUTIVE

COMMERZBANK, London Branch, wishes to recruit a highly motivated, fully experienced banker of proven ability and impercable judgment to market their corporate finance services in the U.K.

Heading one of several small teams and reporting direct to the branch management, the successful candidate will be responsible not only for looking after a portfolio of existing clients, but will also be expected to identify and develop profitable new business relationships. Duties will be comprehensive and will inter alia include the monitoring of credit exposures and the formulation of credit proposals to their successful negotiation and conclusion with customers. conclusion with customers.

The ideal candidate will therefore possess a comprehensive knowledge of current markets and their various instruments, in addition to sound critical judgment based on a solid credit analysis.

Applicants should be around 30-40 years of age, well-educated with qualifications and experience appropriate to the demanding nature of this position. A sound working knowledge of German would be advantageous.

Emoluments will include the usual range of fringe benefits and will reflect the importance of this appointment.

Please apply in confidence, enclosing a detailed C.V., to The Personnel Officer, Commerzbank AG, London Branch, P.O. Box 286, 10-11 Austin Friars, London EC2P 2JD.

COMMERZBANK SE

## Credit Officer

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### **International Banking**

City based

not less than £21,000 plus benefits

The London Office of The Hongkong and Shanghai Banking Corporation, part of The HongkongBank Group with assets in excess of £50 billion, is widening its credit services. The expansion has created a challenging opportunity for a Credit Officer in the Bank's Credit Division.

This is an important role marketing the Bank's extensive range of services to corporate clients throughout the UK. You will be part of a credit and marketing team at the forefroot of developing the Bank's business.

Aged about 30 and, ideally, a graduate with the AIB diploma, you should have at least 5 years' corporate leading experience gained in a major bank. General credit skills, including the ability to research a market, to analyse a company's performance and to sell the Bank's services, are essential with a special emphasis on the ability to evaluate property-related proposals. Strong personal qualities, particularly selfmotivation, determination and initiative are essential to assist the development of client relationships.

In addition to the salary indicated, an attractive benefits package includes non-contributory pension, car, low-interest housing loan and BUPA.

Please write enclosing full personal and career details to:-

International Recruitment Officer The HongkongBank Group PO Box 199

99 Bishopsgate London EC2P 2LA Telephone: 01-638 2366 HongkongBank (X)

## A career development opportunity in Treasury Co-ordination.

As one of the world's leading names in the design and manufacture of power generating plant, both conventional contracts that can range from £2 million to £60 million, located almost anywhere in the world.

Our Head Offices are in Central London, where an increasing work load in our Treasury Department has necessitated the appointment of someone who is interested in pursuing a career in treasury and has some relevant experience, either in banking or, better still, the Treasury Section of a commercial company.

You will probably be over 23, part qualified and working towards MCT or a similar qualification. it's an opportunity to play an important role in the treasury function maintaining banking accounts,



**FOSTER WHEELER** 

both UK and overseas, handling foreign exchange, advising on investments, short term borrowing and helping to further financing, particularly for the export market, would also be useful.

This is essentially a cash management position which will involve you in a wide spectrum of corporate responsibility and provide you with the opportunity to gain valuable experience, working in a small but vital department. A highly competitive salary and benefits package is offered, with excellent prospects for early career development. Please write enclosing a CV or full career details to: Nigel Urwin, Personnel Manager, Foster Wineeler Power Products Limited, Greater London House, London NW1 7QN

Our client is a new company, a subsidiary of a major financial institution. They have been established with strong capital backing to introduce a new product in the London mortgage market. They now wish to recruit several key people who will form the core management team, but who will also individually assume full responsibility for all matters relating to the efficient running of their departments. As well as an excellent salary, remuneration will also include the full range of banking benefits and a car.

#### Financial Accountant to £25,000

To assume responsibility for all financial and budgetary control matters and the development of an MIS system. Duties will also cover funding, taxation and the monitoring and reporting on market activities. Candidates will be graduate Chartered Accountants (aged 27/35) with at least two years banking/securities experience and will be totally familiar with all aspects of modern accounting requirements, techniques and the use of computerised systems.

#### Operations Manager to £20,000

You will take full control of all application/advances processing, including computer input, custom iaison, service and correspondence and MIRAS administration. You will also be expected to design and implement the systems in order as manael, to recruit the systems in order as manael, to recruit the sand supervise a team of high calibre support staff.

Candidates will have considerable industry experience and an in depth knowledge of the day to day requirements involved in running a high volume operation.

#### Senior Underwriter & substantial

The successful candidate is expected to take immediate control of the entire underwriting function, including staffing matters. This will involve the design and development of all regulations governing the processing and acceptance of new customer applications. Canadianes will be highly experienced underwriting experts with considerable knowledge of the mortgage market and all aspects of risk acceptance. Strong management skills are also essential.

#### DP/Systems Manager to £20,000

You will be totally responsible for all aspects of systems development and customisation, from analysis and design to implementation. This will involve considerable - liaison with all other departments to ensure that the high levels of emisency and integrity with in the product are maintained at all times. Candidates will be graduate systems professionals, with considerable hands on and user driven development experience as well as experts in IBM technology and the banking securities markets.

Candidates for the above positions must in all cases be able to demonstrate an exceptionally high level of success in their careers to date, be highly self-motivated and confident, with well developed interpersonal and management skills. They must also display the energy drive and flair to continually meet new challenges and accept greater responsibility.

Please write to or telephone Martin Krajewski in complete confidence for further information

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP, TELEPHONE 01-628 2441

Firth Ross Martin

MERCHANT BANKING

Baring Brothers & Co., Limited

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INTEREST SALES EXECUTIVES

Barings, which through its associate, Wilson and Watford, will become a Primary Market Maker in the Gilt Edged Market, wish to recruit sterling fixed interest sales

Successful applicants are likely to have a minimum of 2-3 years' experience

INTERNATIONAL FIXED

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created opportunities for executives to join our international fixed income sales team.

In both cases salary is oegotiable. Other benefits include mortgage subsidy, non-

Successful applicants are likely to have had 2-3 years' experience in the

Continued expansion of Barings' activities in the International Capital Markets has

covering domestic institutions in the sterling fixed interest markets.

International Fixed Income markets.

Baring Brothers & Co., Limited,

F.A.A. Carnwath,

8 Bishopsgate, Loodon EC2N 4AE.

contributory pension scheme and BUPA membership.

Applicants should write enclosing a c.v. to:

Financial & Professional Selection Consultants

## 医洞 Buckmaster & Moore

B & M-now affiliated to Credit Suisse-is a London firm of Stockbrokers with recognised areas of expertise in its coverage of the U.K. equity market.

We are seeking to recruit Institutional Salespersons to work within specialist teams including the Building/Industrial Holding and Chemical/Healthcare sectors.

Relevant experience gained with a stockbroker, merchant bank or investment fund management group would be an advantage as would good communicative skills and a lively personality.

Applicants should write enclosing a c.v. to:

Mrs. M. Smith Administration Buckmaster & Moore The Stock Exchange London EC2P 2JT

**Group Chief Executive** 

Yorkshire Based, c £50,000 + Benefits

manufactures steel structures and components for the construction industry, has a high export content and has established overseas operations in Europe. It is profitable with substantial reserves and a strong, established management structure. The plan is to become a Public Company within 2 years by appointing a Group Chief Executive with the expertise to achieva this; capitalise on the tremendous growth potential and become active in tha area of acquisitions with a view to doubling the company in size within

Aged 45-50 you should be an M.D. now with Divisionalised Public Company experience, you will probably have managed a multi-company operation and have a manufacturing orientated background. High levels of leadership are an obvious requirement, an engineering qualification is preferred. There is an attractive, negotiable benefits package.

Mala or femala candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to P.A. Adderley, Roggett Bowers plc. 7 Lisbon Square, LEEDS, LS1 4LZ, 0532 448661, quoting Ref: 11662/FT.

MIKE POPE AND DAVID PATTEN PARTNER:HIP

ENTERPRISING YOUNG GRADUATE REQUIRED FOR FAST EXPANDING

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The Client is a highly successful private company; Turnover: £50m with a market leadership position which is enhanced by its commitment to large scala investment in high technology manufacturing facilities. It

#### Top Executives earning over £25,000 a year

Can you afford to waste over £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which Our clients have an impressive record of success; many blue chip companies retain our services in

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Expanding firm of Licensed Dealers require ACCOUNT EXECUTIVES

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For full details telephone: Graham Severn at PETER GAVAGAN ASSOCIATES LIMITED on 01-828 9567

HongkongBank (X)

## **FOREX SYSTEMS** DEVELOPMENT MANAGER

City c.£27,500 Car, **Banking Benefits** 



...to plan, direct and control the development and implementation of advanced and responsive systems supporting the Foreign Exchange/Money Market and financial activities of one of the top twenty banks in

This is a NEW appointment of considerable strategic Importance and as such requires an in-depth knowledge of the Foreign Exchange and Money Market sectors, together with a proven combination of high management and technical capability.

of high management and technical capability. Specifically, candidates should be able to demonstrate their complete familiarity with FX/Money Market systems development in an on-line, database environment preferably, but not essentially, using IBM equipment. The managerial ability to guide and motivate a multi-disciplined development team in the production of high quality, technically secure, systems, is essential. Experience with proprietary software implementation and dealer support systems, is highly advantageous. advantageous.

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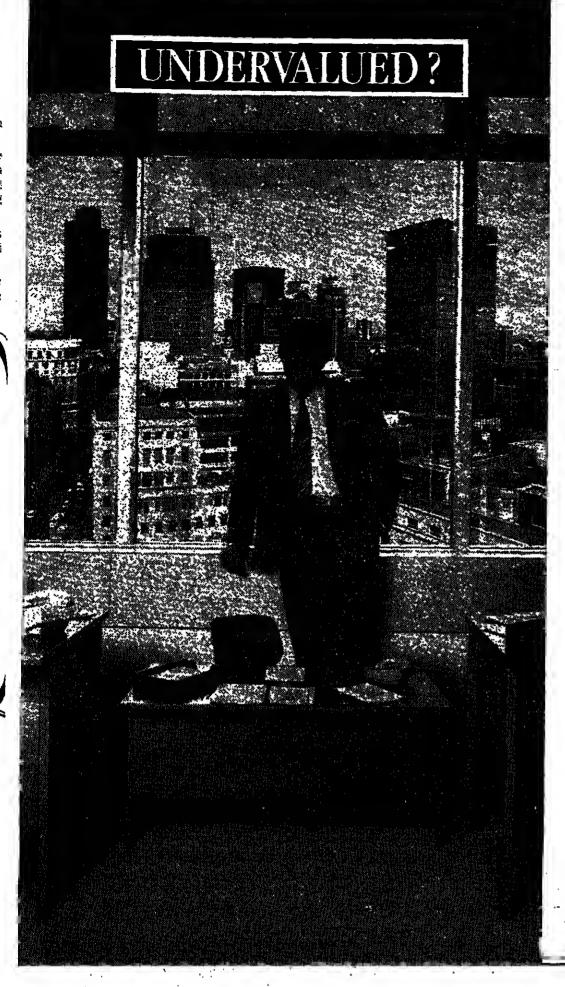
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This position includes some exposure to the Bank's clients and this aspect of the work will increase with the achievements of the successful candidate, giving an excellent opportunity for career progression. In the first instance please contact Andrew Stewart on 01-404 5751 or write to him enclosing a comprehensive curriculum vitae, at 23 Southampton Place, London WC1A 2BP, quoting ref. 3548.



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Aged in your mid-twenties, you must have spent at least two years with a Merchant Bank's Syndications/Corporate Finance Department or an equivalent financial institution which has had dealings in the Capital Markets area. Confident, alert and team-orientated you will welcome this opportunity to join a new and enthusiastic Department which has already achieved a very enviable reputation in the Market.

The salary package is negotiable, as indicated and other normal banking benefits include Pension/Life Assurance, Private Health

Scheme, Mortgage Subsidy, Personal Loan facility, etc. Future career prospects are simply superb.

If you feel you have the relevant experience my client seeks, then ring or preferably write (in total confidence) to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5FA.

## Sowerby's Selection

#### PRODUCT DEVELOPMENT Capital Markets

Our client, the Investment Banking Division of a major European Banking Institution, is currently looking to expand its presence in the EuroMadets.

it presently requires a young dynamic professional (possibly ACA/MBA) to investigate and analyse business opportunities as they arise and evaluate products under a variety of economic and regulatory conditions.

The successful candidate must have strong analytical and interpersonal skills, and have had computer modelling

Outstanding financial rewards and rapid career progression can be expected for the right ambitious individual. For further details please telephone or write in confidence quoting Ref SM500 to:



#### ROCHESTER

Rochester Recruitment Ltd. 22A College Hill, London EC4R 2RP Telephone: 01-248 8346

## STOCK EXCHANGE SALESMAN **AMSTERDAM**

This appointment offers a unique and exciting opportunity to contribute from the outset towards the development of the Investment Management side of a newly formed Financial Services Company based in American Services pany based in Amsterdam.

The vacancy calls for a salesman to service private clients both in the Netherlands and the Benelux. Candidates are not likely to be more than 35 and should combine the ability to sell ideas with an understanding of the UK equity market. Several years' experience with a Stockbroker or Licensed Dealer is preferred. The continuation of an established business is not a problem and languages are not necessary.

> Write Box A 9126, Financial Times 10 Cannon Street, London EC4P 4RY

## Selection Consultants

Two additional consultants are required by the Selection Company of a major organisation in the recruitment market place. The Company is committed to fast growth and is only interested in men or women who can confirm their achievement of realistic business targets through their own sales efforts without undermining personal and professional standards.

Your recent experience must have been obtained in a selection consultancy and encompassed the City, Finance or General Management areas.

Please apply in the first instance, to The Confidential Reply Manager, Ref 844, T.G. Scott & Sons Limited, 30/32, Southampton Street, London WC2E 7HR.

Applications will be forwarded to our client direct and treated in the strictest confidence, therefore companies in which you are not interested should be listed separately.

#### ACCOUNTING AND INTERNAL CONTROL

Major American Bank in the City seeks a qualified or fully experienced accountant with ability to control and superviso daily accounting function, including statutory reports, taxation, management reporting, internal audit responsibilities with bias towards review of existing and new DP programs and security controls. and security controls

Thorough knowledge of IBM hardware and foreign exchange multi currency accounting methods preferred.

Salary and usual bank benefits negotiable.

Write with full to to Box A9133 Financial Times, 10 Connon Street, London EC4P 48Y

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> Connaught Executive Management Services Ltd,: 32, Savile Row, London W1 01-734-3879

SWISS VOLKSBANK

CAPITAL MARKETS ACCOUNTANT

We have been retained by the London Branch -(Licensed Deposit Taker) of this leading Swiss Bank to sist in the recruitment of a highly experienced person who is currently engaged in the accounting function of a broadly based and active eurobond and securities

Reporting to the Chief Accountant, this person will be responsible for the proper accounting and profit and loss calculations of all the capital market activity which will also include portfolio investments.

In this first instance, Candidates for this demanding and responsible position should apply to:

BRIAN DURHAM BRIAN DURHAM RECRUITMENT SERVICES 25, LIVERPOOL STREET, LONDON, E.C.2. TEL: (01) 621 1866

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c. £50,000 and £20,000 Our client is a highly respected Merchant Bank with a worldwide branch network. They are seeking an experienced deeler to become the No. 2 is a dynamic Eurobonds team. We also receive a janior dealer with at least a year's experience. For both positions the omphasis in selection will be on track record rather than time served. Rewards and prospects will be excellent.

ASSISTANT MANAGER **EUROBOND SETTLEMENTS** 

TO £16,000 + BONUS

TO £16,000 + BONUS

a major City Merchant Bank, seeks the services of cod settlements administrator. The successful consciously be in the 25-35 age range and will combine knowledge of settlement procedures with sound skills and the ability to respond incovatively to a rapidly growing sed forward-looking company, by will be accompanied by a full range of banking I career development will be accompanied.

Interested condidates should contact ANDREW AVENELL on 01-236 8192 ANDREW AVENELL on 61-236 8192 JAC RECRUITMENT & EMPLOYMENT 23 COLLEGE HILL LONDON EC4

JAC

## INTERNATIONAL **EQUITIES**

A prestigious London based international investment bank has committed to expand its international equity activity and wishes to discuss this opportunity with a highly qualified institutional sales person to head up this area.

The individual we are seeking should be well known to both U.K. and U.S. institutional investors. Fluency in French and another European language is desirable.

Apply in confidence to: Box A 9122, Financial Times, 10 Cannon Street, London EC4P4BY.

CREDIT OFFICER £15,000

FOR FURTHER DETAILS PLEASE CALL SUMPEL JONES ON 91-236 1113 (24 HOURS)

## TRUST **MANAGER**

required for international trust company in NASSAU, BAHAMAS

Candidates should have an accounting/legal/banking qualification. Fluency in French and/or Spanish an advantage. Attractive salary tax free in Bahamas.

Replies please to **Managing Director** NEW WORLD TRUSTEE SERVICES (UK) LIMITED 10/11 Park Place, London SW1A 1LT Telephone 01-408 2007

CANADIAN IMPERIAL BANK GROUP

### Corporate Relationship **Managers Senior Credit Analysts**

We seek to recruit a number of highly motivated and ambitious university graduates (preferably also holding a recognised legal, accounting or banking qualification), to join one of the most dynamic corporate banking teams in London.

Specifically we require Corporate Relationship Managers and Senior Credit Analysts with the emphasis for those positions being on lending and capital market products. The ideal candidates will have significant credit analysis, facility structuring and documentation experience. For the Relationship Manager position they will already have corporate relationship responsibilities, while for the Senior Crédit Analyst positions the ideal candidate will be seeking to assume such responsibilities within a short period of time. Successful applicants will be expected to play a highly significant role in the development of the Bank's expanding UK operations. The positions will appeal to those who are not afraid of hard work and long hours.

If you think you meet these requirements, we would like to hear from you. Please send your C.V. to:-

Mrs. E. J. Price, Personnel Officer, Canadian Imperial Bank Group, 55 Bishopsgate, London EC2N 3NN.

## International Appointments

## Assistant Company Secretary

Abu Dhabi Gas Liquefaction company (ADGAS) employs a multi-national workforce engaged in the production, shipment and sale of liquefied gas. The company pow wishes to recruit an Assistant Company Secretary, who will be located at Head Office in Abu Dhabi and will report to the Deputy General Manager.

Duties are to assist the general management in corporate secretarial matters, communications with shareholders as the assistant secretary to the Board advisory committee and Board of Directors, and legal matters generally. The range of work is broad based and will necessitate considerable high level contact/linison.

Candidates preferably aged between 30-40
should be University graduates, ACIS or equivalent,

Candidate details may be passed direct to ADGAS.

who have at least eight years' relevant experience. Middle East working experience is desirable, whilst a knowledge of Arabic and experience in the petrochemical industry would be

advantageous.

Applications from Arab nationals who are fluent in English and with above experience will be particularly welcome. An initial two year married status contract is offered and terms will be as per company's policy.

Please write or telephone for an application form or send full CV to A.E.N. Buckley, at the address below, quoting reference AA52/9529/FL

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## Manager Financial Training

£30,000 to £40,000 after tax plus substantial benefits

The HongkongBank Group, with its subsidiaries and associates, ranks among the twenty largest of the world's banking groups. With more than 1100 offices in 55 countries, and staff of around 45,000, it has assets in excess of £50 billion.

This is a new appointment to place greater emphasis on financial training, particularly lending, and to up-grade generally the professionalism of the financial training programmes. Based in Hong Kong and supported by a small professional training staff, there is additionally the facility of a new purpose-built residential Management Training Centre.

Candidates, preferably aged 35 to 45, should be graduates with a relevant professional qualification in banking and lenders with a proven track record in corporate credit. Lecturing, training or management education experience would be advantageous.

Salary as indicated with usual expatriate benefits including free furnished accommodation, education allowance and six weeks' paid home leave. Promotion to line management is strongly envisaged for candidates with career ambitions.

Please write stating how the requirements are met to Lionel Koppen ref B.1013.

HAY-MSL Personnel, HongkongBank 52 Grosvenor Gardens, The Hooghoog and Shoughai Banking Corporation London SW1W 0AW.

## AUDIT MANAGER/ **SUPERVISOR**

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to U.S. \$40,000 TAX FREE

Ernst & Whinney's Far Eastern practice continues its vigorous growth. Currently a feature is the dramatic development of the Jakarta Operation.

In consequence we can offer an unusually interesting and challenging post in audit management to a qualified accountant with upwards of two years relevant post qualification experience that ideally would include some exposure to practical tax.

Responsible for a demanding portfolio of clients who are both international and local, you will need a sound technical knowledge, a keen sense of business awareness and people skills that are both sensitive and Initial contract will be for 2 years,

but for those demonstrating the necessary progress and commitment, career prospects within the region as a whole will be excellent. Please write initially with full C.V. to Barry Compton.

Ernst & Whinney
Accountants, Advisers, Consultants.
Accountants, Advisers, Consultants.

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### **FINANCIAL WRITERS**

Business Day, South Africa's new national financial daily news-paper, requires a bright young economics writer and an invest-ment analyst to work in Johan-

Applicants must be self-motivat-ing and have appropriate quali-fications/experience.

The positions offered are with a newspaper of growing influence and authority that is widely quoted in South Africa and abroad and serves a financially sophisticated business community.

Apply Immediately co: Editor's Secretary, South African Mora-ing Newspapers, 135, Fleet Street, London EC4P 4BL Please include contactable tele-phone number for possible interview on October 2.

## INTERNATIONAL **APPOINTMENTS** APPEAR EVERY THURSDAY

**RATE £37.00** 

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#### An international organization which operates a worldwide. computer-based system for processing international financial transactions wishes to recruit an

## nterface Product Analys

(m/f-ref. FT 131)

He or she will apply established company policy to analyze requirements and to propose new interface and related application products for installation in user premises. Reporting directly to the Head of interfaces in the Product Planning Division, the Analyst will be responsible for all stages of each project, including identification of market requirements, functional specification of new products, establishing prices, estimating product development costs, drawing up business plans and preparing product presentations.

This is a challenging and demanding position, involving extensive travel. The successful candidate will be a university graduate combining fluency in English with a real flair for personal contact and communication. Sound analytical and managerial skills are a necessity and previous experience in banking would be a devinite asset. A background in computers is not essential, as there will be an initial period of familiarization with interface products marketed by the company and its competitors.

If the challenge of this opportunity appeals to you, please send a detai-led curriculum vitæ and pholo to:

Jerry RUBIN, Personnel Consultant, chaussee de La Hulpe 185 1170 Brussels. All applications will be handled with absolute discretion and all appli-

cants will receive a reply.



WELL-KNOWN

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#### ACCOUNTING AND FINANCIAL MANAGER

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SEEKS FOR IT'S GROUP HEADQUARTERS

COMMERCIAL VEHICLE EXPERIENCE PREFERRED

Please reply in strict confidence to Box A9121 Financial Times, 10 Connon Street, London EC4P 48Y with resume and photograph

## SYSTEMS & SPECIAL PROJECT ACCOUNTANT

#### Rural Hampshire

#### Package c£18K

The TSB Trust Company is the insurance and investment arm of the TSB Group. We are one of those rare companies which can boast a consistent record of expansion and success over the last 15 years. Rarer still, we have detailed plans for even more expansion for several years to come. This is an excellent opportunity to join our recently formed special projects team and to manage significant projects for presentation at Divisional and Board level, all aimed at making our accounting systems more efficient and effective.

Besides general project work, you will be responsible for developing accounting systems to maintain the highest standards of financial control and reporting. You will also monitor and contribute to Company strategy in relation to new system requirements.

The successful candidate, probably aged late 20's to early 30's will be a qualified accountant with substantial knowledge of large scale computer based systems. The broad base of expertise required to fulfill the position is unlikely to be seen in candidates with less than 2 years' post qualification experience.

As well as excellent career prospects, there is a salary package of c. £18k, which includes mortgage subsidy. Additional benefits include a non-contributory pension scheme, Christmas Bonus, profit sharing, BUPA, flexible working hours and relocation assistance where appropriate. If you feel you can meet the requirements of this demanding role, ask for an application form from Bill Brewer. Assistant Manager-Personnel, TSB Trust Company Limited, Keens House, Andover. Hants, SPI0 IPG.



## QANTAS **Head of Finance**

UK + Ireland

#### W. London

c£20k + attractive benefits package

The role is exciting and the challenge significant within this leading international airline. A radical reappraisal of the business operation and marketing strategy has resulted in a reorganised and revitalised UK management team. A key player in this team is the Head of

Giving an organisation direction in financial management matters, team building and getting alongside managers requires vision, resourcefulness and charisma, in addition to sound professional skills. This is not a straightforward, 'number crunching' role.

You should be a qualified, commercially aware accountant, with a sound track record, not necessarily gained in the airline industry. Very important are the personal qualities to establish quickly your credibility as a leading member of the management tearn. A knowledge of computer applications would be useful. Age indicator is late 20's to 40. This position offers an excellent career opportunity to be involved in business manage-

ment in its broadest sense within a young professional management team. The package is attractive too and includes travel concessions, BUPA, relocation expenses, if appropriate, and other benefits to be discussed.

Applicants interested in this challenging opportunity should write - in confidence - with details, including current salary, to Phil Bainbridge ref. B.35004. This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,

52 Grosvenor Gardens, London SW1W 0AW.

HAY-MSL

MANAGEMENT SELECTION

## Inter-Selection

## **Financial Director** (Designate)

City of London

Salary c£40,000

Our client is a major Lloyds Insurance Broker based in the City operating on a worldwide basis through subsidiary and associated companies. Staff employed number in excess of 1700.

The position will entail working closely with the current Finance Director prior to his retirement, maintaining overall control of all financial matters and participating effectively in the general

management of the Group.

The successful candidate, qualified, will ideally be aged 35-45 and will have gained extensive experience in an international operation, probably within the financial services field. The ability to manage and motivate a department of 70 staff and a sound working knowledge of computerised systems is essential, as is the ability to

advise the board on all relevant financial dealings.
In addition to the negotiable salary the position also carries a comprehensive package of fringe benefits including a quality motor

Apply in strictest confidence to:-

Tony Normile, Managing Director, Inter-Selection Insurance Recruitment (Southern) Ltd, 14 Trinity Square, London EC3N 4AA. Tel: 01-480 7220

#### This hi-tech public group is based West of London and has a significant international preferably within a public group. company is also sought coupled with a

Financial Director

network of subsidiary companies throughout the world. The group has a successful record, is well known and respected and has a prestigious range of customers for its specialised products. Reporting to the Chief Operations

Hi-tech public group

Director, the Financial Director will be responsible for the financial affairs of the group. This will entail managing the small finance group and treasury departments, monitoring the financial performance of group subsidiaries, highlighting key issues and developing appropriate financial

A qualified accountant aged 35 to 40 is required, able to clearly demonstrate a.

successful record in a senior financial role, Experience of a high technology industrial bright, energetic manner and strong technical skills.

up to £35,000 plus car

Please reply in confidence, enclosing career details and quoting reference 3018, to C. T. Garcia, Executive Selection Division, Peat, Marwick, Muchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

## **Financial** Controller

Salary to £20k plus car

South East London

Our client is a well established and internationally renowned organisation operating in the service sector (insurance, financial, leisure etc.). Turnover which is now in the order of £70m is showing a steady increase and will continue to do so particularly through new business opportunities.

We are seeking a Financial Controller, reporting to the Financial Director, to join a senior management team which is currently undergoing significant change following the recent appointment of a new Chief Executive. The person appointed will be responsible for ensuring that colleagues in management are provided with the necessary financial and business information on a regular and timely basis to enable effective control of the business.

Candidates should be educated to degree level and be fully qualified accountants. Experience in financial planning and analysis in a related business is essential; experience in corporate planning and takeovers would be destrable.

The job is likely to appeal to those men or women with around five years' post qualification experience looking for their first managerial role, yet able to demonstrate the ability to operate at Board level.

Salary will be negotiable up to £20,000 and benefits will include private medical insurance and a company car. Relocation costs, if appropriate, would be met. In the first instance please send a brief cv to Max Emmons, CRS 400, Lockyer; Bradshaw & Wilson Ltd., 39/41 Parker Street, London WC2B 5LH indicating if there is any organisation to whom you would not want it referred.

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## **Management Accounting** in a Sales & Marketing Environment

c.£16,000 + bonus + generous relocation

A critical management role guiding the growth in take home sales

Schweppes, the UK's leader in soft drinks, has a significant presence in the Take Home' sector of this market. That's why we need a senior professional to fill this important and challenging management accounting role. This key individual will evaluate our marketing and sales strategies, prepare detailed financial forecasts, review strategies on shelf pricing. promotions, sales volume and marketing expenditure, plus evaluating investment proposals and new product launches, highlighting cash flow and profit implications. This role will directly influence Schweppes marketing policies, product portfolios, sales

and promotion strategies and operational

procedures. We are looking for someone with broad based experience in corporate finance and computer based systems. A professional who can confidently communicate and ensure sound financial views are presented to the 'Take' Home' team of managers. If you can rise to this demanding challenge

bonus and a generous relocation package to the St. Albans area. Please write or telephone for an application form to: Dawn Swarbrick, Management Recruitment Officer, Schweppes Ltd., Schweppes House, Grosvenor Road, St Albans, Hens. Tel: St Albans 59242 ext. 3515.

then we will offer a salary of c. £16,000 +

## International **Financial Director**

c£27,000 + Car

Thames Valley

Our clients are a world-leading company in the field of advanced minicomputers; setting new standards in the design and manufacture of real-time computer technology for a wide range of customers, including major financial and scientific institutions.

They now seek a Financial Director to be based at their industrial headquarters, to assume overall ibility for all financial accounting and analysis, order-processing and administration activities within the company's European Structure.

Applicants should have attained a recognised accounting qualification, backed by at least five years' professional experience, gained preferably within a multinational, high-technology environment. This is an uncommonly diversified opportunity, involving senior-level decision making across wide areas of company activity throughout Europe, and to possess the depth of experience necessary, it is expected that applicants will be aged in their mid 30's.

In addition to a generous, negotiable salary plus car, you can expect a full range of benefits, including a non-contributory pension scheme, free life assurance and free BUPA.
Please write, enclosing full CV and details of any company to whom you do not wish your application to be forwarded, to: Mark Cartmel, Riley Advertising (Southern) Limited, Old Court House, Old Court Place, Kensington,

Please quote Ref: FT/900.

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## Controller

London W1 c.£17,000 + Saab 900 GLS

This recently-created British subsidiary of an international trading group imports a range of casual wear from Europe and markets it throughout the UK.

A young and ambitious qualified accountant is needed to join a dynamic management team and play a vital role in the ion a dynamic management tent and pay a vita to be company's ongoing growth and development.

Reporting to the Managing Director and working closely with the European parent company, you will be responsible for all financial/management accounting and administrative functions. The development of computerised systems is an

important early task. The company is growing very rapidly in a highly compensive environment and needs someone with strong commercial flair, who has a flexible approach and is prepared to lead by example

Success here will lead to significant career development. The negotiable salary is supported by a range of benefits. Please send full cv which will be forwarded to our client imopened. (Address to our Security Manager if listing comparts which it should not be sent.) Ref: R2062/FT.



Hyde Park House, 80a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

#### FINANCE MANAGER

Due to an impressive record of growth and development, our Client, a major British consumer electronics company, requires a Group Finance Manager. Working closely with the Finance Director responsibilities will include international treasury, group forecasts, budgets and consolidations. Candidates for this highly visible role will be qualified accountants aged 26-33 with excellent communication skills, and the ability to develop in a rapidly expanding environment, Ref. SW. ESSEX

£20,000+Car

#### GROWTH

A rare career opportunity within a diverse, rapidly expanding UK A rare career opportunity within a diverse, rapidly expanding on group. Initially working at the centre, the Management Accountant will be responsible for assessing business performance, budget preparation, and the review, consolidation; and reporting of monthly management accounts. This key appointment offers considerable commercial involvement and a direct route to a number one finance role with an operating company. Would suit an exceptional accountant aged under 30. Fig. JG. C. LONDON £19,000+Car

CAREER ROUTE A challenging Head Office role within this 'blue chip' industrial group. Responsible for the analysis of business results, the Deputy Finance Manager will be involved in Investigating trends and variances, budget preparation, forecasts, investment appraisal and various cost saving exercises. This high profile role offers exposure to the board and prospects to line management. An excellent career opportunity for a young, ambitious accountant. Bef. 16.

accountant. Ref: JG. WEST OF LONDON.

£17,000+Car

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA, 01-638 5191.

## FINANCIAL

Midlands

The Group operates in the service sector, where it enjoys an outstanding reputation. Remarkable recent expansion has led to the need to appoint a

Financial Controller, who will report to the Group Financial Director Responsibilities will call for broad management experience in all aspects of the finance function, including treasury and taxation. Familiarity with sophisticated computerised systems is essential, while a knowledge of company secretarial practice and of contracts is desirable. An accounting qualification is essential and likely age is around

Salary is negotiable around \$20,000 plus car and an excellent benefits package which includes a particularly attractive pension scheme. Further promotion prospects, perhaps to Financial Director of an operating subsidiary, are excellent. If that sounds interesting, please send full career details to:

Vincent Lyddieth



Personnel Selection Lumned, 46 Drury Lane, Solubull, West Mediands B91 3BJ Telephone: 021-705 7399, a 021-704 2851

#### **ASSISTANT COST &** MANAGEMENT ACCOUNTANT

A medium-sized, expanding engineering company manufacturing a range of products for the papermaking industry require an enthusiastic, partqualified accountant (ACMA, ACCA) to assist in the preparation of management accounts and to maintain and develop the product costing system. Salary will be appropriate to this appointment.

Reply with c.v. to: A. W. Hawes, Commercial Director, Vickerys Limited, 53 Norman Road, Greenwich, London SE10 9QJ. Tel: 01-858 5111.

P.A.

#### Senior Partner

required for Wallington (Surrey) practice. Would suit qualified or nearqualified accountant.

Partnership prospects after probationary Commencing period. salary depending upon qualifications and experience but should not be less than £12,500.

Please supply c.v. to:

Box A9128 **Financial Times** 10 Connon Street London EC4P 4BY

1.000+Car

9.000 + Car

1.000 - Car

UTE

## **Group Financial** Controller

C. London

£27,000 + Car + Share Options

Our client is a very successful public group capitalised at some £50 million involved in the development of high-class commercial properties. The success of their operation is reflected by their rapid growth in property investment, turnover and profits, which, in turn, has created the demand for greater suphistication in the financial and management information systems.

Reporting to the Joint M.D. — Finance, the appointee will be responsible for the whole of the finance function of the parent company and its subsidiaries. However, the right person will also have the opportunity to work closely with the M.D. on the Treasury aspects of the group involving high-level finance negotiation with City

This is an unusual opportunity to work within a fast-moving, entrepreneurial group which has exciting plans for organic growth and diversification through acquisition. Applicants are lowited from qualified accountants, aged 28-35, who combine strong technical accounting skills with excellent personal qualities, ideally, the successful candidate will have gained experience within a large practice and in

Please write, enclosing a career history and day-time telephone number to Richard Norman, FCA, quoting reference 1/23/20,

EMA Management Personnel Ltd. House, 20/23 Holbors, London EC1N 2JD. Felaphone: 01-242, 7773 (24 hour).

Would financial institutions seek your advice?



The financial services revolution is here.

Powerful conglomerates are emerging to combat aggressive competition from new and unexpected sources. The traditional barriers are crumbling, and tough decisions oust be faced as technology forces the pace of change.

High quality, impartial advice is a vital commodity in such fast moving markets. As a member of our successful Financial Management Group, your ability to provide it would soon be tested.

You'll work with senior management in all types of financial institutions on a wide variety of assignments. One month you may be advising on dealing risks and cortrols, the next on management information or treasury.

This is an opportunity to develop your technical and management skills whilst relishing the autonomy that you'll be given. We need graduate Accountants aged 25-32, with experience of financial institutions gained in a major accountancy firm or in the financial services sector, who are ready to face tomorrow's challenges today. Your personal skills, enthusiasm and intellect must be outstanding.

We offer a starting salary of £20-30,000 plus a car and other benefits, tailored training, and promotion based solely on merit.

If you're excited by the latest developments in the financial services sector, and meet our criteria, why not send your cx. (including a daytime telephone number) to Martin Manning, quoting reference 1520/FT on both envelope and letter.

## Deloitte

Management Consultancy Division

## Corporate Head of Internal Audit

Greater London/cf, 32,000+car

The worldwide nature and scope of our client's business creates a highly challenging role for their Internal Audit function. To lead this department at the corporate. level, they require an exceptional accountant with proven managerial skills.

Supported by a department of some 40 staff, the job holder will report to the Group Financial Director and will be charged with ensuring that the function makes a positive contribution to business efficiency and profitability. The focus is therefore much more on operational review

than on acting as a "chief inspector". The successful candidate is likely to be aged between

35 and 45 with a significant track record in internal audit within a major international company. The stature and maturity necessary to represent the function to senior management will be essential and a facility in French and/or Spanish would be a positive advantage. Experience with sophisticated computerised systems will be a prerequisite.

The company's determination that this appointment should be made at a senior level will be reflected in the remuneration package. In addition, with the enticipated significant growth of this major public company, career development opportunities could well emerge for the . . . successful candidate.

To apply, please write with a full CV to Gavin Adam, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge, London SEI 9SY. Please quote reference MCS/4018.



## **Operations Controller**

#### Surrey

c.£21,000 plus car

Our client is one of the world's leading manufacturers of high technology products within the aerospace industry. The company is at the forefront of innovative technology and its success in the world market is reflected in an impressive growth record. both in terms of turnover and profitability.

As a result of this growth the company now seeks a Senior Executive based at its head office to assume responsibility for the evaluation and analysis of the financial performance of divisions and operating units throughout the United Kingdom. The successful candidate will be a qualified accountant likely to have at least 3 years'

experience within a major industrial corporation. He/she will possess high communication skills as the position will require regular liaison with Senior Management at both the divisional and company level.

An attractive remuneration package including a fully expensed company car will be offered together with excellent career prospects. Interested candidates should write to Nick Baker,

FCA, Executive Division, enclosing a comprehensive Curriculum Vitae quoting reference 278, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
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## **Financial Controller**

N W London

£22,000 + car

This company which offers consulting services to the oil industry is about to undertake a period of planned expansion both in this country and overseas as part of an international group. Turnover in the UK is well over £1 million, and is increasing

They are now seeking a qualified accountant to strengthen the management team internationally and in the UK. The Financial Controller's functions will be twofold. Firstly working closely with the Chairman of the international group on developing the group's strategic plans, and monitoring the performance of all companies. Secondly to be Financial Controller of the UK company, with total responsibility for all financial and management accounting.

Applicants should be qualified accountants in their late twenties or early thirtias with an appetite for hard work, and the ability to relate to people and explain financial ideas to non-accountants. They should be willing to spend about one third of their time visiting overseas subsidiaries. Experience in implementing accounting systems on micro computers is desirable.

Please send a comprehensive career résumá, including salary history and day-time telephone number, quoting ref: 2313 to W.L. Tait, Executive Selection Division.

Touche Ross The Business Partners Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011



## CONTROL ACCOUNTANT

FOR PROFESSIONAL PRACTICE

We are looking for a Chartered Accountant to take charge of all the financial and administrative controls of our practice of Chartered Accountants thus releasing the seven Partners for the tasks for which they are primarily qualified.

The applicant, aged 45-55, will ideally have had experience of working in a professional partnership and will also be conversant with computers and word processors. Not only will the applicant be able to produce meaningful management information, financial statements, cash flows, budgets and exercise credit control but being possessed of firm personality will handle partners and staff with personality will handle partners and staff with diplomacy and tact.

Location is at pleasant offices in a North Surrey town.

Salary around £20,000 plus car

Write with c.v. to Box A.9127, Financial Times 10 Cannon Street, London EC4P 4BY

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late 30s, 12 years' experience with City merchant bank, seeks financial position based in Northern or Western Home Councies or London at minimum £25,000 plus car.

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#### Chartered Accountant

33

position within progressive comfor real involve-

Write Box A9128 Financial Times 10 Cannon Street London EC4P 48Y

### Company Financial Accountant

Young Graduate with Senior Management Potential Yorkshire, c\$15,000 + Company Car

The client is the major subsidiary of a large International Manufacturing Group, which is a leader in its field. This autonomous profitable aubsidiary, having an annual turnover of approximately £70m, requires an ACA aged 27–35, to manage, control and devalop the Financial Accounting area. This post will appeal to a graduate who qualified with a major practice, and has axperience in large manufacturing, process or engineering companies.

Reporting to the Finance Director, responsibilities will include maintenance of cash recording, sales and purchase ledgers. Management of 20 staff, systems development, credit control, foreign currency and cash

There are excellent career opportunities, hence the need for a high-flyer, capable of bigger things. The benefits include those normally associated with a major group.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to P.A. Adderley, Hoggett Bowers plc. 7 Lisbon Square, LEEDS, LS1 4LZ, 0532 448661, quoting Ref: 11644/FT.

 DISCTEC Ltd is a new company formed, with substantial institutional backing. to exploit the compact disc market. The Managing Director has already grown a successful company in the record manufacturing industry. The Board now wishes to appoint a Finance Director for DISCTEC.

● The successful candidate will be a qualified accountant (probably chartered) with experience of high-tech manufacturing industry coupled with exposure to the City. He or she will have a marked degree of integrity and sound commercial judgement backed by the imaginative flair needed in a fast-growing new company.

Salary unlikely to be a limiting factor. Car and all running costs. Pension. Share option. Help with relocation if necessary.

For further details and an application form please telephone Lyn Staines,
 Recruitment Secretary, on Windsor (07535) 56633 (24 hrs) quoting Ref. DM/552.

37 Investors in American Investors in Industry Consultants Limited

## **Financial Director** c.£30,000 + Car

The Client: part of a substantial electronics group, this company has a profitable nine-figure turnover – generated through the consumer and business markets – and auccessfully pursues an entreprenantial policy of which expansion, often through judicious diversification, is a key feature. The Position: whilst managament of the accounting functions will be important, the role has a considerable strategic dimension: in the provision of a financial perspective on the development of the business as a whole and, particularly, in the identification and evaluation of prospective acquisitions and new ventures.

Tha Candidates: must be qualified accountants with axperlanca at senior level in a large marketing-oriented company; graduates are preferred. A sympathetic understanding of other business disciplines is essential, as are personal presence and good communication skills. The ideal age-range space 5 to 45.

Applications, please, quoting Ref. 191/1/FT, to S. C. Mackay, Charles Barker Management Selection International Ltd., 30 Farringdon Streat, London EC4A 4EA. Talaphone 01-634 1142.

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## **Commercial Flair**

West London

c£18,000 plus car

The continuing expansion of this very successful high-technology company has led to the creation of a first-class opportunity for a recently qualified accountant who can develop their commercial and management skills in an atmosphere of change. The UK subsidiary of a group whose reputation is synonymous with quality, this company has had a recent growth rate of around 20% per annum and plans to double its present staff of 400 over the next

As a result of these plans, the company requires an accountant with a flair for business and an eye for detail, who will initially be responsible for increasing the efficiency of the accounting department and streamlining management reporting. Thereafter the rola will develop in the following areas:

 ◆ business analysis
 ◆ treasury
 ◆ systems devalopment The initial challange and future development of the position will require both initiative and independence. Prospects and rewards will be limited only by the ambition and ability of the individual to

Plaase write in confidence to Jane Woodward (ref 8882) or phona on 01-638 3722.



Management Consultants 70 Finsbury Pavement London EC2A 1SX

## **Finance** Director

For a major public company in the property sector, primarily developing commercial and industrial properties for its own portfolia, valued at in excess of £250 million. Although mainly in the U.K., there are substantial and growing investments in Europe, the U.S.A. and Australia. In addition to dealing efficiently with all internal financial and management accounting affairs, the person appointed will be responsible for matters related to financing, tax and legislation and be expected to participate in the formulation of company

rinoncing, rax ona legislation and be expected to participate in the formulation of compa policy with his fellow Directors.

Candidates, aged 35-40, must be suitably qualified. Their experience may be in property, but, it not, is likely to be in broad financial services, which may be corporate or professional. The keystone is possession of an acute and continuous translations.

property, but, thor, is likely to be in product intalical services, which may be an professional. The keystone is possession of an acute and creative financial mind, coupled with the ability to work—shirt sleeves style—in a close, dedicated team.

The company aperates a share option scheme. Car. Good fringe benefits.

Please write, in strict confidence, giving details of age, experience, qualifications and present solary quaring Ref. 913/FT. No information will be divulged to our client without

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## Financial Analyst

### Vigorous Acquisition **Programme**

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Due to expansion a Financial Analyst is required by Stone international pic., an international engineering company with current sales of 6100m plus. You will be a qualified ACA or ACCA with 1-2 years' post qualification experience, probably agraduate and will join a small head office team reviewing and consolidating the plans and performance of subsidiaries and carrying out assignments in connection with the Group's vigorous acquisition programme.

Some UK and overseas travel will be required. This post is an opportunity for someone with development potential to join a fast growing and profitable company.

Please send applications with C.V. to: John Raimes ref. 8.2165. % HAY-MSL Selection and Advertising, 52 Grosvenor Gardens, London SW1W OAW. This appointment is open to men and women.



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OO Stone 100 International

## **Financial Director** Come in at the Top and Modernise Our Systems

This is an outstanding opportunity to install modern financial systems and take a pro-active role at Board Room level for a profitable and expanding company, based in Middlesex, providing buying, merchandising and distribution services to 1500 shareholders (Independent Grocers).

Your objectives are two fold: help us maximise the efficient use of current assets, thereby releasing capital for further business opportunities, and the evaluation of new ideas.

The company is about to embark on a planned computerisation of its accounts, stock control, and management information systems. You will work with external consultants in the development and installation of these new systems, meeting the company requirement for enhanced management information and customer service.

Aged 35 years plus, you have worked in retailing, FMCG, distributive or service based industries at Chief Accountant level. You have had experience of the complete finance

function and have been involved in the installation of a computerised management information system. You are capable of making innovative proposals to the Board and, on agreement, taking responsibility for their implementation.

A key member of the management team, you will lead a department of 60 staff and be responsible for the Accountancy, Administration, Company Secretariat, Personnel and Legal

The salary reflects the importance of this position and benefits include a company car, BUPA, pension, life assurance and relocation assistance where appropriate.

If you feel you could meet the challenge, please telephone or write with full CV to our adviser John Costello of Cripps, Sears and Associates Limited, Personnel Management Consultants, Westminster House, 2 Minster Street, Reading, RG1 2JA. Telephone (0734) 502561.

## Chief Accountant City Partnership cf.20k

Our client is one of the leading firms of City solicitors, It has several overseas offices and is well advanced in its planning to maintain a record of profitability and growth. The highly respected Chief Accountant is moving from London for family reasons and the Partnership Scorerary wishes to appoint a first class replacement. With a staff of 15, the new Chief Accountant will take on a broad range of responsibilities and assist with the Partnership's next major phase of development.

Candidates are likely to be in their late 20's with at least 2 years' post-qualification experience. Consideration will also be given to older candidates with relevant experience outside the accounting profession. Please send adequate cv details in confidence to Karen Will (ref. LM81) at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.



Spicer and Pegler Associates

Management Services

## **Financial** Accountant c£18,500 neg+car London

department preparing statutory accounts, taxation, VAT returns and monthly and quarterly figures to tight deadlines. You must be willing to undertake practical



The Metropole Group of Casinos Is a division of Lonrho PLC, operating a UK-wide network of casinos, including some of the most prestigious of London's clubs. The Group is currently undergoing an organisational transformation. brought on by the scale of our growth, an enviable record and some exciting development plans. Our new Financial Director will need

to be a dynamic personality, proactive rather than reactive, and capable of contributing to the Group's management at the highest level. Only a professionally qualified accountant with these qualities and a background in senior financial management is likely to possess the stature necessary. The ability to quickly assimilate the terms and implications of the Garning Act is also of paramount importance and if combined with experience of the leisure industry will make you a particularly strong candidate For the right person the salary is negotiable and, in addition to a 2 litre car,

benefits include BUPA and company pension scheme. In the first instance write with full

c.v. to: Kevin Goodman, Group Personnel Manager, The Metropole Group of Casinos. London WIY IPF.

The Metropole Group of Casinos

International jewellers, Mappin & Webb, members of the Sears Ple Group of Companies, require a Chartered Accountant for their Head Office in Regent Street. Reporting to the Financial Director, and very much a part of his team, you will be responsible for a small.

deadlines. You must be willing to undertake practical day-to-day financial accounting and you will be heavily involved in major redevelopment of D.P. systems. The job offers positive career development prospects both within the Company and in the wider group.

Candidates will have at least 3 years' commercial experience, ideally including retail, and will probably be conducted.

In addition to the negotiable salary, we offer an appropriate benefits package.

Please send a comprehensive C.V. to Mr S Nicholson,
Personnel Executive, Mappin & Webb Limited,
106 Regeot Street, London W1R 6JH.

Mappin & Webb

### **ACCOUNTANCY APPOINTMENTS**

**NEWLY-QUALIFIED** 

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the revent Part II

We propose to publish the list in our issue of Thursday, September 26, which will also contain several pages of advertisements under the heading of "Newly-Qualified Accountancy Appointments."

The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly-Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this

> For further details please telephone: Louise Hunter on 01-248 4864

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

## **YOUNG** FINANCIAL CONTROLLER (designate)

to £20,000

Promotioo prospects are excellent within the group as a whole. candidates should be qualified accountants, in the likely age range of 27-35, with at least 2 years commercial experience, probably in a line management or head office position. Experience in project management or contracting is useful but not essential.

CRAWLEY appropriate cases.

A re-location package is available in Please send your career and current salary details to Barry C Skates at the address below.

One of the UK's LEADING MULTI-NATIONALS has a turnover in excess of

NATIONALS has a turnover in excess of £1,100 million p.a. and employs c 25,000 people in over 60 countries. A major division within the group seeks a Financial Controller. It is engaged in INTERNATIONAL ENGINEERING CONTRACTING, has a turnover approaching £100 million and comprises several companies operating major contracts anywhere worldwide including the U.K., Europe, the U.S.A., Africa, the Middle and Far East.

U.K., Europe, the U.S.A., Africa, the Middle and Far East.

This highly visible position involves acting as a vital member of a small and select head office team, liaison with senior management on financial issues, full involvement in commercial activities and the decision making process, and reports to the Financial Director. Key responsibilities include the militoring of concepting communical performance, monthly

operating companies' performance, monthly management information, budgeting, annual financial accounts and systems development.

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US FRAGRANCE HOUSE

#### EARLY RESPONSIBILITY FOR A FAST TRACK ACCOUNTANT

MAYFAIR c.£17,000

Giorgio manufectures and markets a range of exclusive fragrances. Building on phenomenal successin the United States, the Company has established a marketing operation in London, which has already ensured distribution through selected stores in the UK and Europe.

We are now seeking a qualified accountant to join our management team in London and take responsibility for all statutory and management accounts. In your twenties, you will be an ACA or ACMA with just sufficient experience to build your confidence to shape the development of accounting practices and M.L.S. in a multinational organisation. Conversant with aspects of international trade you will be prepared to take a key role in the direction of this

be prepared to take a key role in the direction of this dynamic company.

This calls for a self sufficient individual with a sense of style and an aptitude for success, who is looking to gain more responsibility in an environment that recognises talent and provides no career limitations.

Salary is negotiable around £17,000 p.a.

Please send a detailed c.v. quoting ref C144 to our advisor Roger Juniper, Juniper Woolf & Partners Ltd, 22 New Concordia Wharf, Sr Saviours Dock, Mill Street, London SFI 28B. Mill Street, London SEI 2BB.

## Group **Financial** Controller

Up to £20,000 + car

Our client, a well-established and profitable Company with an aviation background, is attractively located in Shropshire and has a second production unit in East Anglia. Its diversified and technically based products are world market leaders and there is

a healthy export business. Recent mergers and a policy of continued growth call for the early appointment of an ICMA qualified Financial Controller to take responsibility for all financial affairs and to help lead the Company to USM status.

Experience of introducing computer assisted accounts systems into a production environment is required together with personal energy, a "hands-on" style, and a commitment to corporate prosperity. Successful collaboration with the dynamic management team will lead to an early Board appointment.

A starting salary up to £20,000 is offered together with a 2 litre car, family BUPA, pension scheme and generous holidays. Relocation help is available if necessary.

Applicants in their thirties should send a full CV quoting ref. 1429 to:-

BinderHamlun

## Finance Director

Hertfordshire

There is a strong commercial dimension to this post on the Board of the British subsidiary of a major Scandinavian corporation. A market leader in its sector, the company's revenues are approaching the £20m mark and it operates with considerable financial independence from the parent group. Manufacture is largely overseas, with the UK company providing a strong technical department and service function. The Finance Director will be presponsible for financial planning, reporting and.

£30,000 + carinternational development, administration and overall management of the company. Candidates should be chartered accountants, at least in the mid 30s, and have worked at agement committee level in a profitable unit of a substantial international company.

> Remuneration will include a share scheme. and senior executive benefits. . Please send cv, in confidence, indicating current salary, to M J Egan, Ref: AA26/9525/FT.

responsible for financial planning, reporting and control, as well as histing an important role in the PA Personnel Services

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## The financial services industry is on the move. Are you?

The financial services industry is currently undergoing fundamental restructuring. As the largest and one of the fastest expanding UK firms of management and economic consultants, Coopers & Lybrand Associates are experiencing a growing demand to assist financial institutions to meet new challenges and opportunities.

Our Financial Services Group undertakes varied assignments. ranging from Strategic Business Planning and Market Analysis through Diagnostic Appraisal to the Design and Implementation of Operational and Financial Management Systems. A significant element of our systems work in the financial sector involves the development of longterm IT strategies and the design and implementation of improved computer and communication systems.

In response to this increasing demand for our services we are seeking further high-calibre specialists in Investment, Corporate Banking, Insurance, Treasury and Cash Management, Retail Banking and Building Societies. You will have at least 3 years' experience in the financial sector, and be a graduate aged 27-33, preferably with an additional relevant professional qualification. Theremuneration package will be attractive if you match our requirements.

If you are innovative and self-motivated, can handle a job which is both creative and intellectually challenging and expect rapid career progress, please send a career résumé indicating your qualifications and salary progression including a daytime telephone number to Murray MacFarlane, Coopers & Lybrand Associates, Fleetway House, 25 Farringdon Street, London EC4A 4AQ quoting ref. 01/15.

For business committed to growth.

## RIBOUNGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Partnership Secretary/Administrator

Legal Profession

Manchester, c \$20,000 + Car

This is a new appointment within a highly respected, large partnership, comprising a major city office and several regional branches. Continued growth and the increasing demands on non-legal matters have given rise to this senior position. Responsibilities will include the introduction and effective control of all matters affecting the practice's profit and efficiency, ranging from financial and business

emeting the practice's profit and enicency, ranging from inflational and business controls to office administration.

Appropriate candidates will ideally be aged 35/45, of degree status and will almost certainly have an accounting qualification, ACIS, ACA or ACCA.

Strong administrative abilities and presence are essential and the successful candidate must be capable of acting in a senior capacity within a highly professional environment. A background as Company Secretary/Administration Manager in a service or professional organisation is preferable.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to G. Sable, Hoggett Bowers plc, St. John's Court, 78 Gartside Street, MANCHESTER, M3 3EL, 061-632 3500,

Age 25/35 South Manchester £16/20,000 + Car + benefits

AVT is a young and successful company, that has built up an excellent reputation within the oil industry as a specialist engineering consultancy. It has also developed a new sophisticated product that is about to be launched in the market place creating tremendous new opportunities. Due to this specialist development and the first that the consequence has developed and opportunities.

exciting development and the fact that the company has grown rapidly in recent years, a Qualified Accountant is now required to become F.D. (designate).

The position is an all embracing one. It will involve being responsible for the accounting and administrative function. Additionally, it will include the appraisal and improvement of the existing computerised systems, the installation of a contract costing system as well as introducing a meaningful management accounting package that will include cash and profit forecasts, budgets etc. The position will also involve advising the Board on all financial matters.

The successful candidate will have commercial acumen and already have had a proven record to date.

He/she should be able to communicate at all levels, be technically sound, and have the flair, enthusiasm and flexibility to join a Company that has an excellent future.

The candidate will also have a small staff to control and will report directly to the

#### FINANCIAL DIRECTOR

c£25,000 + car + benefits

We are a growth-orientated residential estate agency and require a dynamic professionally qualified graduate accountant, with past qualification experience ideally in industry. This is an exciting opportunity for a person aged ideally between 28 and 32 who is able to update and refine our existing computerised financial and management control systems and halp take us into the next phase of our dynamic business development.

if you are looking for a real challange and would like to work as part of a young team in a fast-moving anvironment write today with full c.v. to:

> Nigel Contadi, Maraging Director CHESTERTONS RESIDENTIAL 116 Kensington High Street London W8 7RW

## Chestertons

We are a multi-disciplinary practica of consulting angineers pri-We are a multi-disciplinary practica of consulting angineers primarily in the building industry.

Since our inception in 1976, we have achieved a dynamic growth pattern having experienced a staffold increase in staff and a fifteenfold increase in turnover.

Present staff complement is 120 and turnover is projected to exceed 63m in the next financial year. Offices are maintained in London, Nawcastle upon Tyne, and Edinburgh.

In order to maiotain that record and improve our financial planning and control we are seeking to recruit a Financial Controller.

The successful applicant, who will report directly to the Pareners, will assume overall financial responsibility for practice affairs including:

Applicants should have experience in a similar position but not necessarily in a partnership structure. A lowar age timit of 30 is anvisaged.

The post will be based in our Newcastle upon Tyne office, which is situated in a modern office complex some five miles to the north of the city. The area provides a wide choice of good housing and schools as well as easy access to Northumbria and the Lake District. A substantial ramuneration packing including company car, pension plan, profit sharing, and competitive salary will be attached to the position.

Applications to: Dr. B. Johns CUNDALL, JOHNSTON & PARTNERS Horsley House, Regent Centre, Gosforth Newcastle upon Tyne NES 3LU 991-284 6801

## **Financial Analyst Corporate Planning Central London**

For a major British company which is a leader in its field. The main role will be the collation, processing, validation and critical analysis of computerised planning information, particularly in relation to short-range forecasting, group budgeting and exchange fluctuations, in conjunction with computer specialists. There will also be

opportunities to participate in ad hoc projects.

Candidates, aged 27-32, should ideally be graduate chartered accountants with experience of sophisticated computerised management planning systems, with the ability to understand finance/business in an international context. Excellent prospects exist within the Group. Remuneration will include a generous salary, contribution towards BUPA, pension scheme, season ticket loan, five weeks holiday, relocation expenses where applicable, and the possibility of a company car.

Please send a full c.v. to Bernard L. Taylor, MBIM, quoting ref: 6795 or

telephone for a personal history form.

Mervyn Hughes Alexandre Tic (International) Ltd.

Liverpool

take the initiative



SENIOR MANAGEMENT ACCOUNTANT

Our client, a well-established, profitable TV Distribution Company, currently seeking to expand its retail business through a nationwide network of branches, wishes to appoint a Management Accountant to its senior team.

budgets and financial forecasts, the successful candidate will also undertake

performance reviews and investigations into new business development.

This key opportunity will appeal to a career minded, professionally qualified accountant with at least 3 years management accounting experience, ideally gained within a retail or service environment and in the 25-40 age

level. Equally important are good interpersonal skills and the strong desire to

Please apply in confidence to: Stephen Mawditt

This new appointment reports direct to the Financial Director and in addition to having responsibility for the provision of regular management reports,

Personal qualities sought include effective verbal and written communication skills, with the ability to present cogent and reasoned arguments to Board

37 Golden Square, London WIR 4AN. 97 01-434 4091

#### FINANCIAL CONTROLLER

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FINANCIAL DIRECTOR (DESIGNATE)

Prospects are obviously good, particularly as AVT has already had preliminary discussions with a view to an eventual flotation. This means, of course, that it is assential that he she will be capable of guiding the company through to its new Please contact Lawrence Burnett at our Manchester Office, quoting Ref no. FTM 101 22b Dale Street, Liverpool L2 5SD.

Tel: 051-236 9373



64 Cross Street. Manchester M2 4JQ Tel: 061-834 0618

## Chief Accountant Midlands

c£20,000 + Car + Relocation

A recent promotion within this UK High-Tech group has created the need for an experienced Finance professional to join a highly successful and progressive management team based in the Midlands. The Company is a recognised leader in the design, development, and manufacture of sophisticated electronic systems for the Military and Civil markets in the UK and overseas.

Applications are invited for the position of CHIEF ACCOUNTANT to be responsible to the General Manager for all financial management aspects of a £40M T/O company. Reporting functionally to the Financial Director it is essential that prospective candidates demonstrate high levels of technical and management skills developed within a high-tech electronics manufacturing environment, with exposure to defence or related contracting.

Candidates, 28-40, ACMA/ACCA/ACA, with a proven career history, will enhance future progression by joining a group at the forefront of technological innovation in its field.

Please call or write in confidence enclosing full C.V to ALEX STEELE.

Gabriel Duffy Consultancy - Financial Search and Selection 130A Western Road, Brighton, BN1 2LA Telephone (0273) 29822



## BUSINESS RESEARCH AND INFORMATION ??

Tel: Hatfield (07072) 71005

## GRADUATE ACCOUNTANT

Baker Street, London from £17,000 + benefits

The success of Abbey National, one of Britain's leading building societies, rests heavily on the effective provision of a wide range of financial services. New sed legislation is continually leading us into new competitive markets and we now need a young, ambitious, innovative Accountant to aid this diversification.

Your major responsibility will be to research into, and report upon, the ways in which the profit performance of the Society can be improved. You will monitor the performance of profit centres and decision making units; analyse and develop existing operations, and devise proposals for furure schemes

This is an ideal opportunity for a qualified to ACA, ACCA or ACMA, to move into a wider field and take on ater responsibilities. Experience in the financial sector and a background in developing financial models would be an advantage. Good communication skills

are essential as you will constantly liaise both with internal Managers and with outside contacts, as well as producing ciear analytical reports. Experience in computing would also be advantageous. There are good promotion prospects in this growing area of the Society and the competitive salary is accompanied by the benefits package you would expect from a leading financial organisation. Assistance with relocation will be given Please send a comprehensive cv to

Bill Whitehead, Personnel Department, Abbey National Building Society. Abbey House, Baker Street, London NWI 6XL.



## **GUIDE TO** RECRUITMENT CONSULTANTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We will be including in this feature "The Newly-Qualified's Guide to Recruitment Consultants."

Entries in the Guide will be charged at £55 which will include company name, address and telephone number. Extra lines will be charged at £11 per line.

> For further details please telephone: Louise Hunter on 01-248 4864

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# Accounting

This major international oil company has extensive exploration, production, refining and marketing operations under its control in areas ranging from the North Sea to Africa and the Middle East.

It currently has openings in the Internal Audit Department, based in Central London, which will entail travelling widely throughout the region, and frequently working with joint venture teams on various operational and financial projects. Candidates will have the opportunity to move into the

mainstream finance area, with excellent career paths open within the international corporation.

Ideally, candidates will be qualified

good stepping-stone from the profession into industry. Consideration will also be given to part-qualified accountage A highly competitive salary is visaged based on experience.

Please send full cv which will be forwarded to our client unopened. Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2056/FT.

PA Advertising

Hyde Park House, 60s Knightsbridge, London SWIX 7LE. Tel: 01-235 6060 Telex: 27874

### **Finance Director Designate**

Age 30-40

c.£20.000 + car

Sussex, Surrey border

A commercially-minded Finance Director Designata is required to join a £25 million turnover Group which has achieved significant growth in recent years. It is engaged in service industries including the retail motor trade and fuel distribution in Surrey, Sussex and

Reporting to the Managing Director, the Finance Director Designate will be responsible for all accounting and data processing functions, supported by approximately 10 staff. The successful candidata will be expected to upgrade existing financial controls and information systems and as a key member of the management team, participate actively in

broader commercial matters. Applicants should be qualified accountants, preferably in the age range 30-40, who have already headed a financa function in a medium sized company and have considerable

It is envisaged that appointment to the Main Board will take place within sighteen to twenty

A salary of c.£20,000 will be paid. There is a car and a performance-based bonua scheme. Assistance with relocation expenses will be given where appropriate.

Please send a comprehensive career resume, including salary history and day-time telaphone number, quoting ref: 2314 to W.L. Tait, Executive Selection Division.

Touche Ross The Business Partners Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011



## **ACCOUNTANTS**

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> Please write in confidence with detailed CV or telephone David Tod BSc FCA on 01-405 3499 quoting ref: D/275/JF

Lloyd Management

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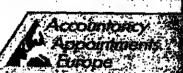
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### SECTION II - COMPANIES AND MARKETS

## **FINANCIAL TIMES**

Thursday September 19 1985



## New law sought to clear Milan bourse log-jam

A LAW to streamline the combersome Italian equity settlement and

by Parliament in the next few

The legislation, which in part represents the efforts of several Italian regulatory authorities such as the Bank of Italy and the Consob stock market agency, comes amid in-creasing complaints from foreign investors about long waits for

Frustration is growing over the bureaucratic problem because for-eign investment in the Milan bourse is reaching record levels. Settlement dates have been get-ting later as volume has grown, Daiting later as vomme 100 grows in times

what it was a year ago.
The Milan bourse has seen its total market capitalisation rise from
L50,000hn (\$25.6bn) at the beginning of this year to L82,000hn this

with big rises in the share prices of companies such as Olivetti, Fiat, fontedison, and Generale.

The Italian share-clearing system, much of which is handled by a Milan-based company called Monte Titoli (literally, "Share Mountain"), is acknowledged to be in serious need of an overhaul.

Wall Street investors in particular have been irked by delays in de-liveries of share certificates, which, in some cases, have taken up to four months.

Dr Guido Roberto Vitale, manag ing director of Euromobiliare, a Mi lan investment banking group, said the delays were not affecting foreign investor interest in Italy. "It is, however, a problem, because ser-vice must be up to expectations," be

Chase Manhattan, the large U.S. next spring.

The BCI share index has risen 75 bank, recently sent a circular letter per cent since lest January, along to clients investing in Italy, warning of lengthy delays and difficult

In London Ms Deborah Rees, who follows Italy for stockbrokers Grieveson and Grant, said it often took "quite a long time before set tlement takes place." But she did not see the delays daunting poten-

According to an official of the Consob regulatory agency in Rome, legislation to streamline the system was first discussed lest spring, in-troduced in parliament in June, and approved by the Senate on July 11.

If the legislation now passes the Chamber of Deputies it could point the way towards a faster - and eventually electronic - clearing system. But even if the law is approved soon, few market analysts expect much change in the system before

fairs of the company.

chiding Unilever, to acquire the company on terms which the hoard of directors determines are not in the best interests of the company and its shareholders." The key element in the new se

acquired after the issue date, holders will be allowed only five votes a share until they have held them for 36 months. Richardson-Vicks also proposes

Unilever hit back at Richardson-Vicks yesterday by asking the courts to block the issue of the new

The Anglo-Dutch group has al-ready sued Richardson-Vicks in the federal district court in New York,

### Richardson Vicks sets up bid defence

By Terry Dodsworth In New York RICHARDSON-VICKS, the U.S. skin and health care group, has strongly rejected a takeover bid from Unilever and declared a new share issue to strengthen its defences against the Anglo-Dutch

group.

Mr John Scott, president and chief executive of the Connection. based company, told shareholders that Unilever's two-tier bid was designed to "pressure the company's board" into entering into a transac-tion it had decided was not in the best interests of its shareholders. He said: "We will not be coerce

by this tactic into taking action diced by Unilever's interests and not those of our shareholders." The new issue of special preferred stock is a variation on a tactic used frequently in U.S. hid hat-ties. Richardson-Vicks said the dis-

tribution, in the form of a dividend to common stockholders, was intended to afford long-term shareholders a greater voice in the af-

The distribution will also, Richardson-Vicks adds, "make it more difficult for any person, in-

ries A preferred shares is a provision to give different voting rights to long and short-term holders. Shareholders on the issue date of September 21, when one preferred there will be distributed for every five common shares, will be entitled to 25 votes a share on any issue submitted to stockholders. However, if the shares are

to pay higher dividends as a result.

preferred stock on the grounds that t would pose a "significant barrier"

alleging that a share buyback programme launched by the U.S. company last week was aimed at blocking a merger.

#### BELGIAN STEEL GROUP WARNS OF FURTHER LOSSES

## Cockerill recovery faces delay

COCKERILL-SAMBRE, the stateowned Belgian steel producer, will shortly announce first half losses of BFr 3.18bn (\$54.8m) and forecasts

The losses, which were predicted, emphasise setbacks in the company's restructuring plan, although executives noted yesterday that it was slowly re-establishing itself. Hopes of break-even have been oushed back to 1987-88, although

the general European Community aim for steelmakers has been to make them financially viable by the end of this year. Losses next year are expected to be BFr 2bn. Against the background of these figures, Cockerill-Sambre is enter-

ing a new era. Its restructuring plan, announced in 1963, was de-vised by M Jean Gandois, a French executive who performed the same service for Arbed of Luxembourg. M Gandois was then asked to mit the plan into operation. But he is scheduled to leave the group at the

end of this month. Cockerill is now ate control has been the fact that headed by M Raymond Levy.

M Gandois' departure signals the the restructuring plans for Cocker-ill caused such a domestic political end of a major stage in restructurthat full year losses will be around ing that has encompassed not only plant closures but also a new agreement with the trade unions, a production sharing and joint invest-ment plan with Arbed and a reorga-

> operations From the end of this month M Levy will have to make the new, slimmed down Cockerill work. The problems of the first half of this year indicate that it will not be

nisation of Cockerill's commercial

Some of the problems are not of Cockeril's own making. The losses bave been related to the strength of the dollar, and Cockerill buys more in the dollar zone than it sells. They have been tied up with the general sluggishness of the European mar-ket of the 4.2m tonnes of steel Cockerill produced last year, 3.4m were sold in the EEC.

rumpus that the plan came into effect nine months later than M Gandois had intended. Ha calculates that this cost the group BFr 5bn, some of the effect of which has shown through in the balf year Like other steelmakers Cockerill

was not helped by the appalling weather in the first two mooths of the year. But that weather also coincided

with an outbreak of labour unrest at Cockerill, whose main works are in the Liege and Charleroi steel basins. The cost of that was BFr 1bn. All these factors, short and long term, brought together meant that Cockerill has had to revise its financial forecasts. At the end of 1984, it was predicting e net loss of BFr 3bn

for this year. Also outside Cockerill's immedi-

flowing from the financial restructuring of the group and the provi-sions of funds from the Belgian Government to pay for early

The Government now owns directly 65 per cent of the sbares, while national and regional invest-ment funds hold a further 32 per cent. The total number of remain ing shares are a speculative counter on the Brussels bourse.

M Levy's task now is to seek heighteoed competitivity for the group. This will come partly from the more efficient merging of activities between the two steel basins. But it will also have to come from lowering labour costs relative to those of competitors.

Cockerill's workforce has been cut in half to just under 20,000. Labour costs fell from BFr 26.2bn to On the face of it, Cockerill ended BFr 21.2bn between 1980 and 1982, 1984 with a profit of BFr 4.1bn bot but have since started to creep up BFr 21.2bn between 1980 and 1982. that was only achieved by running again, reaching BFr 23.4bn in 1984.

## Trading deregulation ruling means big saving for AT&T

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone and Tele- means AT&T will now be free to Our future graph (AT&T), the giant US. telemarket its equipment and long-200 + Car communications group, yesterday won a crucial ruling which allows the combination of its regulated long distance telephone business of AT&T Communications, its long-with its unregulated telephone distance business, and another to equipment marketing operations. sell equipment like computers and AT&T said the change will save it telephone switching gear. about \$1bn e year.

> The key Federal Communications Commission (FCC) ruling, delivered yesterday, reverses part of a set of 1980 regulations known as regulated telephone equipment .. business only through a separate ... subsidiary to undertake these oper-

AT&T had sought to modify the rules in the aftermath of the massive court-approved Bell System break-up at the start of 1984 under which AT&T spun off its local telephone operations. The telecommu nications group argued that the dundant since the divestiture meant it no longer held a monopoly over the telephone service.

The FCC's unanimous decision

THE RUSH to borrow in the Euro-

bond market materialised yester-

day with more than \$1bn raised in

The World Bank, unusually,

chose Morgan Stanley to lead a fixed-rate issue for \$200m rather

than Deutsche Bank, its usual lead

cent coupon and are priced at par, but investors only have to put up 15

within the 2½ per cent fees.

bid just outside that level.

the Eurodollar sector alone.

distance telephone service together instead of being forced to maintain one sales force to sell the services

AT&T's equipment manufacturing competitors had argued that such a move would place them at e serious marketing disadvantage and would allow AT&T to subsidise the Computer II rules, under which its equipment business with reve-AT&T was allowed to enter the un nues from long distance telephone operations.

The FCC, apparently in response to these concerns, said it would require AT&T to file an accounting plan explaining how it will keep revenues from the two businesses separate and imposed a series of other requirements which are designed to ensure fair competition in the telephone equipment market.

The FCC ruling does not affect Computer II regulations were re- the requirement that AT&T offer special computerised telephone services through a separate subsidiary. The FCC also rejected an AT&T plan to offer a cut-price long-distance telephone service called

Eurodollar new issues exceed \$1bn

BHF Bank bond average

Sept 18 105.242

AT&T said it would cut 900 union jobs or 15 per cent of the workforce at its Allentown, Pennsylvania semiconductor plant by the end of this month because of lower than ex-

The job reductions come against the backdrop of probably the most severe downturn ever in the computer and semiconductor industries. They follow a massive 24,000 or 21 per cent job reduction announced last month at the group's Morris-town, New Jersey information sysms unit, which manufactures and markets communications and computer equipment.

ecessary to reduce manufacturing output and match recent declines in sales forecasts. The company said the Allentown layoffs were unrelated to the earlier job cuts in its information systems division.

workers, manufactures a range of micro electronic components sold to outside customers or used in AT&T's computers and other prod-

"Pro America," mainly to small

AT&T said the latest cuts were

The plant, which employs 8,000

## French export bank lifts capital

BY DAVID MARSH IN PARIS

BANQUE Française du Commerce holders, due to be completed next bank's overall domestic lending ca-Exteriour, the French statecontrolled export financing bank, is about to raise its capital resources by a total FFr 1.04bn (\$118m) to back plans for further expansion its domestic and international

The bank, which is owned by a string of state financial institutions led by the Bank of France and the Caisse des Dépôts et Consignations, is becoming the latest group to is-sue non-voting loan stock (tieres participatifs or TPs) on the Paris financial markets.

A TP issue of FFr 700m, carrying a yield depending partly on French money market rates and partly on the bank's net profits, will be made next month. The bank is also raising its equity capital from FFr 660m to FFr 1hn through a two-stage issue of shares to its existing share-

The capital increase, which has just been authorised by M Pierre Beregovoy, the Finance, Minister, should help bring up the bank's capital ratios to standards required by the Bank of France under new capi tal adequacy rules. BFCE, which makes available

subsidised export credits to foreign countries, mainly developing na-tions, and also has expanding domestic loan operations, is one of France's biggest borrowers on the international capital markets.

rows abroad with e state guarantee, its management regards the capital

pacity under the new mooetary control system, brought in this year by the Bank of France. The bank's decision to make an

issue of TPs - which are intermediate in character between bonds and non-voting shares - follows a tide of TP transactions over the last two years by state-owned commercial banks, Gaz de France, the nationalised gas utility, has also issued TPs, while another has just been announced by Crédit Agricole, the cooperative agricultural bank. Banque Française du Commerce

Exterieur believes its future profit-Although the bank mainly bor- ability will be only moderately affected by government plans to cut interest rate subsidies and introincrease as helping to reinforce its duce greater competition among credit rating. The increase in equity French banks for export credit busi-and the additional backing from ness for richer importing countries. TPs will also help to increase the Net profits last year were FFr 57m.

#### Hanson awaits **SCM** ruling

A NEW YORK appeal court judge will make a decision early next week on the validity of an injunc-tion restraining Hanson Trust of the UK from buying more shares or voting its holding in SCM, the U.S. conglomerate, writes Our New York

Hanson is eppealing against a emporary injunction banded down after it had acquired a 25 per cent stake in SCM within bours of withdrawing a teoder offer for the U.S.

#### Textron/Bridgeport

A HEADLINE in yesterday's edition incorrectly suggested that a management team was set to buy Textron. It should have stated, as the story made clear, that Textron was planning to sell Bridgeport, its machine-tool subsidiary, to a management team.

All of these Securities have been offered outside the United States. This ennouncement appears as a matter of record only.

New Issue / September, 1985

U.S. \$150,000,000

## Den norske Creditbank

Floating Rate Capital Notes Due March 1991

Salomon Brothers International Limited

Mitsubishi Trust & Banking Corporation (Europe) S.A.

Nordic Bank PLC

Bank of Tokyo International Limited

Bank of Yokohama (Europe) S.A. Christiania Bank og Kreditkasse

**Bankers Trust International Limited** Dai-Ichi Kangyo International Limited

**Dresdner Bank Aktiengesellschaft** 

Hambros Bank Limited

Kyowa Bank Nederland N.V.

LTCB International Limited Mitsui Trust Bank (Europe) S.A.

Morgan Stanley International

Nippon Credit International (HK) Ltd.

Nomura International Limited

Svenska Handelsbanken Group

Swiss Bank Corporation International Limited Takugin International Bank (Europe) S.A.

The Taiyo Kobe Bank (Luxembourg) S.A.

Union Bank of Norway Ltd.

Yamaichi International (Europe) Limited

Toyo Trust International Limited Dean Witter Capital Markets-International

Yasuda Trust Europe Limited

BY OUR EUROMARKETS CORRESPONDENT

margin over London Eurocurrency

The new deal does, however, car-ry a grace period of nearly three years before repayment falls due to give Romania considerable leeway debt within the next two or three The credit, which bears an initial

deposit rates of 1% per cent rising to absorb this year's cash-flow ister to 1% per cent, is already nearly fully underwritten and should be

by this year's severe winter. The derwriting group should be com-deal is the country's first significant borrowing in the Euromarkets since 1980.

105.315 Low 99,540

105.417 and a 10 per cent coupon with e 100% issue price.

The 15-year bonds pay a 10% per Two floating rate note issues ap-peared and both were moving slowper cent of the issue price at the outset with the balance due next ly. Merrill Lynch was said to be doing a good job with a \$300m, 15-year mismatch issue for Ireland which April. The bonds were trading just pays the higher of the one-month London interbank offered rate (Li-The European Investment Bank later awarded a mandate for e bor) or the six-month mean rate between Libor and Libid. \$150m seven-year issue to Union Bank of Switzerland (Securities) af-

ter asking banks for bids. The and fees total 17 basis points. The terms looked tight at a 10% per cent bonds were offered at 99.97, just coupon and 100% issue price. Fees above the level at which coare 1% per cent and the bonds were managers own the bonds.

New York, the Chemical Bank holdlaunched Commerzbank led a \$50m ing company, was having a tougher seven-year deal for Norwegian comtime. Salomon Brothers woo the pany Elkem, with a 10% per cent deal in the face of heavy bidding coupon and par issue price. Late in the day Orion Royal Bank launched at % per cent over three-month Lie \$75m issue for Osterreichische bor with e par issue price. The Postsparkasse with e five-year life bonds were trading outside the 16

A \$250m floater for Chemical

The issue price was set at 100.10

Two other fixed-rate issues were

14 per cent concession.

an 11% per cent coupon was the trading at around 98%. In the Swiss franc market traders

basis point commissions.

Eurodollar bond prices weakened yesterday following a lower opening in the New York bond The World Bank stuck with for a SwFr 70m eight year issue for Korea Development Bank, the first Deutsche Bank for its DM 600m 10year deal which pays a 6% per cent

coupon and was issued at par. The in this market. bonds were moving well at prices Superfos, the largest Danish in-dustrial company, launched e DM 150m 10-year issue led by Com-merzbank. This pays e 7 per cent coupon and is par priced. Here, too,

the bonds were selling within the D-Mark bonds were little changed in the secondary market Electricité de France found that

right level for a five-year issue in the Euro-French franc market. The In the European currency unit FFr 500m offering was issued at par market, SNCI of Luxembourg and led by Credit Lyonnais. Fees to-launched an Ecu 40m 10-year bond tal 1% per cent and the bonds were

SwFr 600m redemption amount and a 30-year life with an issue price of 18.70. Likely lead manager is Morgan Guaranty but it declined to comment on the issue yesterday. SBC indicated a 6 per cent yield

public issue for a Korean borrower UBS announced a SwFr 18m private placement for Nakanoguni with a five-year life and a 5% per cent coupon. Issue price is par. Swiss franc bonds were mixed

with prices unchanged on average Forsmark, the Swedish power group, launched a five-year issue in the Danish krone market for DKr 250m led by Svenska International. This pays a 10% per cent coupon and is priced at 100%.

with a 9 per cent coupon. Banque onale à Loxenbourg will set the price pext week.

International bond service.

## Thais launch record

Bank of Tokyo and Citicorp have are only slightly higher than the been mandated to lead the deal, which is to go through a whirlwind it which net universal resistance process of syndication and be from the Japanese banking commusigned next Thursday. Already last night hankers ware talking in the state of 1/2 per cent. night bankers were talking in terms of a possible increase to as much as

At that level, the credit would be more than twice as large as the most recent Euroyen credit, a Y30bn deal arranged last month for the Korean Exchange Bank.

Bankers note that these margins

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THAILAND yesterday launched a The terms provide for a margin of Y50bn, 10-year credit in the Euro- 1/2 per cent above Euroyen deposit markets, a record borrowing for the rates for the first two years rising fledgling Euroyen sector and the in % per cent thereafter. Repay-first deal of any size since Sweden's ments are to begin after a grace

The Thai credit, however, has obviously been launched with a great deal of preparation and ground-work A positive response is expect-ed from the banking community

Romania to go ahead with \$150m Euroloan

ROMANIA is pressing ahead with plans to raise a \$150m, five-year loan in the Euromarkets, despite reports earlier this week that it intends to repay all its \$70m foreign by the end of this year.

ly fully underwritten and should be entering syndication soon, bankers said yesterday.

Though Romania has long pursued a policy of winding down its foreign deht, it needs the money because of cash-flow problems caused cause of cash-flow problems caused derwriting group should be compared to the control of the control o

## are expecting the World Bank to launch the second zero coupon is-sue, with terms rumoured at a European borrowing

abortive attempt to raise Y100hn period of five years.

which should rejuvenate a secto that has struggled to get off the ground since the Swedish flop.

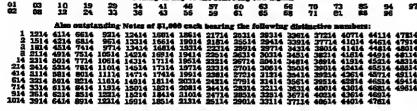
#### NOTICE OF REDEMPTION

To the Holders of

#### SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS

Floating Rate Notes due 1988

NOTICE IS HEREBY GIVEN thet, pursuant to the provisions of Paragraph 4(b) of the above-described Notes and Section 6 of the Fiscal and Paying Agency Agreement dated as of April 28, 1982 between Societe Nationale des Chemins de Fer Français and Morgan Guaranty Trust Company of New York, Fiscal and Paying Agent, U.S. \$50,000,000 principal amount of the Notes has been selected for redemption on October 30, 1985 at a redemption price of 100% of the principal amount thereof.



96 09 18 23 26 32 38 44 50 66 67 76 82 07 13 22 28 27 37 40 48 55 62 69 79 83

Payment will be made in U.S. dollars on and after October 30, 1985 upon presentation and surrender of the above Notes with coupons due January, 1986 and subsequent coupons attached, subject to applicable laws and regulations, either (a) at the office of the Fiscal and Paying Agent in New York, or (b) at the main office of Morgan Guaranty Trust Company in London, Brussels, Frankfurt am Main and Paris, the main office of Swiss Bank Corporation in Basle, the main office of Morgan Bank Nederland N.V. in Amsterdam and the main office of Kredietbank S.A. Luxembourgeoise in Luxembourgeoise the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a hank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury the payee's taxpayer identification number (employer ideotification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number (employer ideotification be not a United States payer identification number (employer ideotification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number (employer ideotification has payed as one subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payement. Payment will be made in U.S. dollars on and after October 30, 1985 upon presentation and

Notes surrendered for payment should have attached all unmatured coupons appurtenant bereto. Coupons due October, 1985 should be detached and collected in the usual manner.

On and after October 30, 1985 interest shall cease to accrue on the Notes herein selected for edemption and all conditions precedent to such redemption shall have occurred. SOCIETE NATIONALE DES CHEMINS

DE FER FRANÇAIS

Dated: September 19, 1985

### INTERNATIONAL COMPANIES and FINANCE

## Tokyo nearer to offshore market

shore financial market moved a little closer yesterday with the publication of what the Ministry of Finance considers to be its likely parameters.

As previously announced, its model will be New York's loternaticuat Banking Facility (IBF), which does not permit the intermingling of domestic and offshore transactions.

Mr Toyo Gyohten, head of MoF's international finance bureau, was unable yesterday to estimate when the Tokyo market would be in place. He said

BY KATHLEEN EYANS, GULF CORRESPONDENT

The key elements of the domestic account.
scheme, as presented yesterday

Mathough the report says that
the property of the tax and legal consequences.

pared with the debts to other foreign banks. There is a growing belief that the package could still be agreed even without the participation of National Bank.

The banks were also known

recent actions by Mr Abdul

Rahim Galadari, the founding

chalrman of the group. Mr

resort to legal action.

The group of banks, led by a to have become concerned over

(\$272.3m) liabilities until a attempting to reassert his authorestructuring of the group can rity over the company and

be arranged between the banks taking decisions without suffi-and the company.

Mr Yusuke Kashiwagi, chairman of the Bank of Tokyo and of the report's drafting committee, doubted that, initially at least, the Tokyo offshore market would permit trading in securities. He noted that the New York IBF did not.

offshore accounts completely separate from their domestic lananese accounts. Transport would be in place. He said that depended on certain legal and financial considerations that may require parhamentary action.

offshore accounts completely separate from their domestic accounts. Transport their domestic accounts accounts. Transport their domestic accounts accounts that may require parhamentary action.

offshore accounts completely separate from their domestic accounts accoun

ducted directly
One of the options believed to

be under study by the banks involves the sale of the com-

pany's two major assets, the Intercontinental Hotel and the

Dubai newspaper, Khalij Times, in order to belp finance the re-

scheduling package. Neilher the attitude of the banks nor those of Mr Galadari are yet clear ou

group. In an earlier bankruptcy case involving Mr Abdul Wahah

Another possibility is for the Dubai Government to acquire the two major assets from the

fund for expansion By Wong Sulong in Kuala Lumpur

Kusk Lumpur
THE MALAYSIAN Government
yesterday launched a lhn
ringgit (\$402.1m) investment
fund to stimulate expansion in
manufacturing, agriculture, and
tourism through concessionary
loans. Foreign-owned companies would be eligible under pamies would be engine under the scheme.

The fund is the latest of a series of aignificant measures takan by the government to encourage foreign and domestic private investment now that the government has decided to play less ective role in the Hearing on Galadari adjourned

economy.

The fund is designed to overcome the current high interest rates which tha government feels have been the blggest obstacle in growth in business GROUP of 18 United Arab nised by the Dubai Government. departure—whether by removal A GROUP of 18 United Arab nised by the Duozi Government of resignation is not clear—has banks have gained more time preferred creditors is not not generally been welcomed by the banks, although one comactivity. Banks last cut their interest rates in June, by 1 per-centege point, and average lendmented that the negotiation; were now at least being coning rates stand at around 14 per

Malaysia

launches

oent.
Under the scheme, announced by Mr Daim Zainuddin, the Finance Minister, the Government of the money ment would pump the money into the banking system through the central bank, which will be

the approving authority Mr Daim said government funds would be placed with the commercial banks at 8.75 per cent, or a 1.5 per cent discount from the nfficial basa lending rates of the two largest local banks, Malayan Banking and

Bank Bumiputra. Loans extended by commercial banks to investors under the scheme will attract interest rates of not more than 1.25 points above the base rates of the two leading banks, or 11.5 per cent.

Galadari, a younger brother, the
Government bought the Hyatt
Regency Hotel for 550m dirham,
which was viewed as being well
above market prices. If Mr.
Abdul Rahlm Galadari can
manage to sell his prime assets Banks, in welcoming the fund, said it would allow for the atimulation of new productive capacity without forcing banks to suffer a loss in profitability through a further reduc-tion in interest rates.

Projects covered in manufac-turing include new machinery. plant and equipment, factory huildings, and improvements in transport equipment.

For agriculture, loans will be given for new planting or replanting, research and development, tractors and other farm equipment, Priority will be given to projects producing food for local consumption or export.
Projects under tourism would

cover improvements to tourist facilities, hotel construction, and renovation, but excludes those areas where there is already excess capacity. All the ventures must aim at generating new productive capacity, with priority given to export-urientated industries.

#### Morinaga downgrades forecasts

By Carla Rapoport in Tokyo

in their efforts to arrange a generally recognised.

restructuring for the debt-laden
Galadari trading empire of daris to National Bank of Abu
Dubai, following the adjourn-Dubabi is relatively small com-MORINACA, one of the Japa-nese confectionery groups hit by commercial sabotage last year, said yesterday that its pre-lax profits for the six-months to September are likely to drop to Y100m (\$414,000) on meet this week of a default suit brought by National Bank of Ahu Dhahi. National Bank broke ranks National Bank broke ranks with the group some months ago, and has been attempting to secure judgment against Galadari Bros. The hearing on the case, the fourth, was adjourned until October 21, and one of the other creditor banks expressed optimism that a deal green development without the participation of National Bank. Until the court adjournment on Tuesday, a number of hanks were expressing reservations about upbolding the moratorium and indicating that if National the other creditor banks green to logariant to be agreed even without the participation of National Bank. sales of Y57bn. The group had earlier forecast pre-tax profits The company also held out the possibility that it could drop ioto a loss in the first half. The troubles, it said, are still related to the poisoning threat

by extortionists last year. .
Morinaga says it is still aiming to achieve after-tax profits of Y2.8bn for the full year through the sales of land. As a result, it bopes to wipe out losses of about Y2.3bu carried over from last year and resume payment of an anoual dividend

## EUROFIMA

Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial, Basel Société européenne pour le financement de matériel ferrovisire, Bâle Società europea per il finanziamento di materiale ferroviarlo, Basilea

### DM 150,000,000

6 % % Deutsche Mark Bonds of 1985/1997

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**KUWAIT FINANCE HOUSE** IS INVOLVED IN NATIONAL TRADE INTERNATIONAL TRADE



US\$250,000,000 GUARANTEED FLOATING RATE SUBORDINATEO CAPITAL NOTES DUE SEPTEMBER 1990 Citicorp Overseas Finance

Corporation N.V. ated with builted liability in the Netberlands Antilies) Unconditionally guaranteed by

CITICORPO
Notice is hereby given that the Rate of Interest has been fixed at 834% and that the interest payable on the relevant Interest Payment Date December 19, 1985, against Coupon No. 5 in respect of US\$50,000 nominal of the Notes will be US\$1,058.51 and in respect of US\$10,000

nominal of the Notes will be US\$211.70. September 19, 1985, London CITIBAN(O By: Citibank, N.A. (CSSI Dept.), Agent Bank



U.S.\$500 000 000

Notice is hereby given that the Initial Rate of Interest has been fixed at B<sup>13</sup>/<sub>6</sub>% and that the interest payable an the relevant nterest Payment Date, March 18, 1986 against Coupon No. 1 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$443.07. nber 19, 1985, London **CITIBANG** By: Citibank, N.A. (CSSI Dept.), Agent Bank

The moratorium also extends
to pledges oo assets, with the
exception of Citibank, which has
had its pledge on the Dubai
forercontinental Hotel recogthe moratorium also extends

Amid this came the departure
to the Government, a major part
to the Governm This advertisement appears as a matter of record only.

## Continued growth for Genting

BY OUR KUALA LUMPUR CORRESPONDENT

GENTING, the Malaysian reflecting the impact of a slow-casino, hotel and plantation down in the Malaysian economy; profit of 46m ringgit, a decline growth in the half-year to June, ture would also have an impact of 21 per cent, on turnover with pre-tax profits rising 17 per cent to 98.4m ringgit (\$39.7m).

Turnover rose by 15 per cent give a hreakdown of its earnings and profits after ings, Il is believed that the and ruhber prices as well as strongest growth came from the lower output.

could be effected before the

steering committee of seven

with Citihank in the chair, has

declared a moratorium on the group's estimated 1bn dirham

and the company.

The moratorium also extends

case is heard again.

tax and minorities were 57m ringgit, an increase of more than 20 per cent.

**New Zealand** studies foreign exchange rules

By Dai Hayward in Wellington NEW ZEALAND is considering a code of ethics covering foreign exchange dealings.

This follows a meeting between Dr Rod Dean, the deputy governor of the Reserve Bank, and chief executives from trading banks and finance houses involved. New Zealand police are

extractly investigating un-authorised foreign exchange dealings which reportedly involved a number of staff in more than one company. The code of cthics would be similar to those already apply and other professions.

strongest growth came from the casino operations, while the group's plantations, hotel and Genting said that, although property divisions recorded less the profit growth was satisfactory, it was still lower than the rales achieved in recent years, inc's 80 per cent owned, previously).

lower output.

Centing is paying an interim dividend of 9 cents per share.

(7 cents previously) while Asiatic is making a 2.5 per cent distribution.

## Den norske Creditbank

US\$150,000,000 Floating Rate Capital Notes due March 1991

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from September 17, 1985 to March 17, 1986 the Notes will carry an Interest Rate of 81%% per annum and the Coupon Amount per U.S.\$10,000 numinal of the Notes will be U.S.\$449.36 and per U.S.\$250,000 nominal of the Notes will be U.S.\$11,234.00

September 18, 1985 By: Gitibank, N.A. (CSSI Dept.), Agent Bank **CITIBANCO**  REPUBLIC NEW YORK CORPORATION US\$150,009,000 Notes due 2009

Notice is hereby given that in respect of the Interest Period from September 19 to December 19, 1985, the Notes will carry en interest rate of 81/6% per annum. The coupon amount payable on December 19, 1985 will be US\$213.28 per US\$10,000 Note.

September 19, 1985 The Chase Manhattan Bank, N.A. London, Agent Bank



#### Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche A

In accordance with the provisions of the Certificates notice is hereby given that the rate of interest for the period from 19th September 1985 to 19th December 1985 has been established at 812 per cent per annum. The interest payment date will be 19th December 1985. Payment which will amount to US \$5,371.53 per Certificate, will be made against the relative Certificate.

Bank of America International Limited



U.S. \$30,000,000

**SUNDSVALLS BANKEN** FLOATING RATE CAPITAL NOTES **DUE 1992** 

For the six months 19th September, 1985 to 19th March, 1986 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 81 Vis per cent and that the interest payable on the relevant interest payment date, 19th March, 1986 will amount to U.S.\$436-79 per U.S.\$10,000 Note.

at Bank: Morgan Gearanty Trust Company of New York, i



Statistics 1984/5

28 Feb 1985 · 29 Feb 1984 Profit before tax Profit after tax Profit attributable to Kakuzi Ltd 4,164,976 2,296,187 2,379,532 K.Sh3.25 Earnings per K.Sh5 Stock Unit RE = K.Sh 20 (I K.Sh = 4.23p as at 2 September 1985)







K£ 3,438,860 1,888,953

The coffee estates suffered from the drought. Early October rains restored all estates to excellent condition but short of crop for 1985/86. New, young growth is being encouraged for optimum results from coffee in 1986/87.

coffice in 1986/87.
Rainfall conditions were not favourable for good quality tea production but the results reflect the excellent staff efforts.

The livestock herd survived the drought well but sales prices were limited by the relatively poor weights attainable. The goat herd will be

limited by the relatively poor weights attainable. The goat herd will be sold at marketable age.

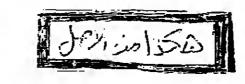
The development of subsidiary crops continues.

The exceptional drought underlined the need m be in a position as soon as possible to remin even greater water reserves.

In view of factors, including the 25% crop yield shortfall on 1984/85 estimates and the expected 1985/86 outcome, the possible pattern surrounding prices and payments, coupled with our major capital works, the Board recommends a cautions final dividend of 15%, making 271/2% for the year. A special interim dividend can be paid if crop and market conditions permit.

The Company's shares are listed in the Financial Times under Forence, Land etc.

Copies of the Annual Report are available from the Secretaries, Estates Services Lad, PO Box 30572, Nairobi, Kenya or from Quiter Goodison Company Limited, Garrard House, 31/45 Gresham Street, London EC2V 7LH



fund

### INTL. COMPANIES & FINANCE

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The

| 102 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103

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NEW YORK

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Standard & Chartered

Standard Chartered PLC

(Incorporated with limited liability in England)

£300,000,000

Undated Primary Capital Floating Rate Notes of which £150,000,000 are

being issued as the Initial Tranche.

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the three months period (91 days) from 18th September to 18th December, 1985, the Notes will carry an interest Rate of 11% per cent. per annum.

The interest payment date will be 18th December, 1985. Coupon No. 2 will

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B.R.P. Sr 93 (Joly)
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### Searle to sell consumer division

By Paul Taylor in New York

G. D. SEARLE, the U.S. pharma-ceuticals concern which is being acquired by Monsanto, the country's fourth largest chemicals group in a \$2.7bn deal due for completion next month, has confirmed that it is considering selling its U.S.

onsumer division.

The sale of the consumer division, which markets over-the counter drugs, forms part of Mon-santo's sweeping asset sale pro-gramme to raise funds to help pay for its acquisition.

Searle's U.S. consumer product division represents about 18 to 20 per cent of its annual sales of \$1.24bn, the bulk of which are accounted for by Nutrasweet, an artificial sweetener, and sales of prescription drugs.

Although neither company de-tailed the asking price for the divi-sion. Wall Street analysts expect Monsanto to raise about \$350m through the sale of Searle's over the counter drugs business togeth er with the group's remaining 40 per cent stake in Pearle Health Care worth about \$110m.

Monsanto has already put its North Sea oil and gas interests up for sale and has agreed to sell its Seal Sands chemical plant in nor-thern England to BASF, the West German chemicals group, for \$75m The two deals form part of a drive to raise a further \$1.3bo through the disposal of some of its own as

Searle's pharmaceutical group and research and development division will be combined with Monsanto's U.S. and international human health care business and research A second separate subsidiary will be established for the Nutrasweet business, which has annual sales of around \$565m.

#### First-half loss for Buitoni

By Our Milan Correspondent

INDUSTRIE Buitoni Perusina (IBP), the Italian foods group which was acquired last February by Sig Carlo de Benedetti, made a small loss in the first half of this year, while group sales rose by 11 per cent to L545bn (\$250m).

Although the Perugia-based co pany did not reveal the size of the six-month loss, sources close to Buitoni said it was marginally in the red during the first half, but should achieve a break-even result for the full year.

Last year the group made a IAT. The loss on Li,000hm of total revenues. But Sig de Benedetti, who aside from being a financier in his own right is also chairman of Olivetti, has worked hard to rein recent months.

Among the measures adopte have been some debt rescheduling a major increase in share capital and the issue of convertible bonds for Buitoni, which employs 7,000

Buitoni's sales outside Italy in the first six months accounted for near-ly 60 per cent of total turnover. Foreign sales were 14.8 per cent higher year on year at L325ba, while do-mestic sales of L229bn showed a 5.3 per cent increase, less than the rate of inflation.

> **一种"新"等"新"等"新"** Subscribers to FINANCIAL TIMES TOULOUSE by special delivery on the day of publication. For further details contact Benjamin M. HUGHES

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**《李·李·李·李·李·李·** 

J. Henry Schroder Wagg & Co. Limited Agent Bank



### U.S. \$100,000,000 B.B.L. International N.V.

(Incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam) Floating Rate Notes Due 1993

Guaranteed on a Subordinated Basis as to payment of principal and interest by

RRF

Banque Bruxelles Lambert S.A./ Bank Brussel Lambert N.V.

(Incorporated with limited liability in Belgium) In accordance with the provisions of the Notes, notice is hereby given, that for the Interest Period from April 17, 1985 to October 17, 1985 the rate for the final Interest Sub-period from September 19, 1985 to October 17, 1985 has been determined at 81/16% per annum, and therefore the amount of interest payable against Coupon No. 1 on the relevant interest payment date

October 17, 1985, will be US\$4,227.25. The Chase Manhattan Bank, N.A., London, Agent Bank September 19, 1985

CHASE

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

September 19, 1985

## PepsiCo Capital Resources, Inc.

(Incorporated in the State of Delaware, United States of America)

A\$50,000,000 13% Guaranteed Notes due 1990

Unconditionally guaranteed as to payment of principal and interest by



(Incorporated in the State of Delaware, United States of America)

Issue Price 1007 8%

The following have agreed to subscribe or procure subscribers for the above Notes:

Orion Royal Bank Limited

Dresdner Bank Aktiengesellschaft

Lloyds Merchant Bank Limited

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Swiss Bank Corporation International Limited

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Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Salomon Brothers International Limited

Security Pacific Limited

Westdeutsche Landesbank Girozentrale

Westpac Banking Corporation

Application has been made to the Council of 'The Stock Exchange in London for Notes in the denomination of A\$1,000 constituting the above issue to be admitted to the Official List, subject only to the issue of the temporary Global Note. Interest is payable annually in arrears on September 26 in each year, beginning on September 26,

Listing particulars are available in the Extel Statistical Service and may be obtained during normal business hours up to and including September 23, 1985 from the Company Announcements Office of The Stock Exchange and up to and including October 3, 1985 from:-

Orion Royal Bank Limited London EC2Y 5JX

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**NEW ISSUE** 

18th September, 1985

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(Forretningsbankenes Finansierings - og Eksportkredittinstitutt) (Incorporated in the Kingdom of Norway with limited liability)

> 8% Dual Currency Yen/U.S. Dollar Bonds Due 1995

Issue Price: 101.375 per cent of the issue amount

Issue Amount: Redemption Amount:

¥20,000,000,000 U.S. \$96,160,000

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Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. on 17th Sept. 1985 U.S. \$87.63

Listed on the Amsterdam Stock Exchange Information: Pierson, Heldring & Pierson N.V. Herengracht 214, 1016 BS Amste

AIBD BOND INDICES WEEKLY EUROBOND GUIDE SEPTEMBER 13 1985

1.185 1.597 0.407 0.116 US Dollar Canadian Dollar Euroguildar Euro Currency Unit 12.953 13.524 7.879 11.288 11.743 7.920 10.629 11.526 6.249 9.189 10.809 11.762 6.301 9.214 Sterling 10.925 0.301 11.743 10.809
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British Consulting Eogineers undertake projects in all parts of the world. They are active in more than 140 countries and last year (i.e. 1984) were responsible for capital works overseas valued at more than £49,000 million.



## Fleet fires first salvo in bid defence

Fleet Holdings, the Daily end Sunday Express group which is fighting off a £229m takeover hid from United Newspapers, yesterday delivered a stinging attack on United's performance and the quality of its management.

Fleet summed up United as "a miscellany of recent acquisi-

"a miscellany of recent acquisi-tions co-existing with a steadily decaying core business of regional newspepers and a few

Fleet timed the publication of its 18-page defence document to coincide with the announcement of its results for the year ended June 1985. These showed e 28 per cent rise to £28.5m in pre-tax profits and e 7 per cent increase in earnings per chare, before extraordinary items, to 20.1p per share.

had concentrated on the past and had not developed a clear strategy for broadening the hase of its operations. The publication of Fleet's results had failed to have much impact on the stock market, it added.

Fleet's shares rose 3p to 363p yesterday while United fell 2p to 308p. At this level the United offer of 11 of its own shares for every 10 of Fleet is valued at 339p per share, still well below the level at which Fleet is trading. There is e cash alternative worth 302.5p.

This ahare price puts e value of 5229m on the 80 per cent of Fleet which United does not already own and values Fleet's entire equity at \$286m.

A major part of the Fleet'a strategy, outlined in its document, is an attack on the management expertise of Mr David Stevens, United'e chairman, and Mr Gordon Linacre, the managing director.

Mr Ian Irvine, Fleet's managing director commented: "There is no evidence Mr Stevens has

Mr Ian Irvine, Fleet's managing director commented: "There is no evidence Mr Stevene has run a eignificantly-sized business apart from an investment house. Mr Linecre has run a regional newspaper group."

Mr Irvine cast doohts on United'e ability to reduce overmanning in Fleet's operations by 20 per cent, a figure United has

profits substantielly ahead of the level achieved in the first half of 1984, Stewart Wrightson Hold-

ings reports pre-tax profits up up 62 per cent from £6.12m to £9.89m in the six months to June 20 1905

Prost on hroking and agency interest rose from £5.86m to £9.13m, and insurance rompanies' profits were also ahead of the 1984 level at £672,000, compared with £482,000.

Following the disposal of Pulhrook Underwriting Management et the beginning of the year, the Lloyd's agency Interests are ronfined to Stewart Wrightson Memhers' Agency. The contribution of that company to

group profit for 1985 will not be significant, say the directors.

The interim dividend is raised

The interim dividend is raised from 4.2p to 6.3p to reduced disparity, and the final dividend will be decided in April in the light of the full year's trading results. Last year a final of 13.8p was paid from pre-tax profits of £13.83m.



Mr Ian Irvine, managing director of Fleet Holdings managing

indicated is necessary.

"How are they going to achieve a 20 per cent cut without confrontation?" Mr Irvine said. "How is 'lt thet Rupert Murdoch and Robert Maxwell have not schiaved that? "Wo

have not echieved that?

believe in e proces of techno-togical change but it won't take pisce overnight. The trick is to keep the newspapers on the street and make profits."

Reuters as a public rompany and also taken an ective role in reviving TV-am.

It dismissed United's regional newspaper operations as showing

Fleet said that Morgan-Grampian, its magazines eub-sidiary, had increased its market share in the areas in which it operates to 36.2 per cent in the operates to 36.2 per cent in the first half of 1965 from 33 per cent in 1982. It claimed market leadership in 21 of the 31 markets in which it operates.

It pointed to the 22.2 per cent share the Daily Express end The Star have of the national newspaper market compared with the 17 per cent held by the Express alone in 1977. ne in 1977.

Fleet's national newspapers moved from a loss of £2.1m in the nine months ended June 1982 to a prost of £10.8m in the

1882 to 2 prost of 110.0m in the year ended June 1985.
Fieet denied it had not developed new initiatives in the three years since It was floated off from Sir Nigel Broackes'
Trafalgar House group, saying it had seen the potential to float

to £34.92m, leeving trading profits at £4.56m, compared with £2.74m. Investment income, less interest payable, amounted to £4.01m, against £3.08m, and share of results of associated companies was £559,000 (£44,000). Income from fixed asset investment was down slightly from £603,000 to £554,000. Ceotral costs were reduced from £827,000 to £491,000.

Tax took £3.82m (£2.73m) and after minorities of £159,000 (£89,000) and an extraordinary credit of £1.37m (£812,000), being net profit on disposals and closures after tax, ettributahls profits came out at £7.22m (£4.14m). Stated earnings per 20p share before extraordinary items improved from 15.28p to 2f9.95p (basic).

2fi.95p (basic).

market which contrasted with conditions in the first half of to £39.48m. Trading expenses were up from £29.17m to £39.48m, leeving trading profits at £4.56m, compared with £2.74m. Investment income, less interest payable, amounted to £4.01m, against £3.08m, and share of results of associated

will be decided in April in the light of the full year's trading results. Last year a final of the full year's trading results. Last year a final of the full year's trading results. Last year a final of the full year's there has been a very profits of £13.83m.

Commenting on the first half figures, Mr David Rowland, the The respenses to moderate. In common with all other insurance.

The net profit on disposals in the full-year figure is going to be 1985 includes a profit of £900,000 the filsm mark, putting from the sale of Pulhrook, and the shares, up 14p yesterday et 652p, on a prospective p/s ratio of nearly 14 after a 40 per cent ings in Nasco Karaoglan Group and Crest (Insurance Holdings).

It dismissed United's regional newspaper operations as showing declining sales and its magazines as being in declining markets. Taking away recent acquisitions, profits had fallen at United's original activities.

Operating profit at Fleet rose to £23.2m in 1985, against £17.3m the year before, on turnover which increased to £366m (£324m). Profit of the national newspapers rose from £6.46m to £10.56m while magazines increased profits from £9m to £10.79m.

Earniogs per share, before extraordinary items and excluding the profit in 1984 from the sale of some of Fleet's Reoters shares (for a total of £4.6m), rose to 20.1p (14.07p).

Fleet proposes paying a final dividend of 5.5p to take the total dividend to Sp compared with 50 previously. with 5p previously.

Stewart Wrightson's results make

necessity of having high quality in both to deal with the market conditions. And currency factors,

conditions. And currency factors, which acted very much in the group's favour in last year's second half, are unlikely to do so again this time. If there is only slight growth for this half, the full-year figure is going to be around the film mark, putting the shares, up 14p yesterday et 652n. or a proposetive n/s ratio.

£28.5m, while profits from fund management rose from £2.9m to £3.3m. Profits from the groun's linked business continued to expand, and more than donhied from £500.000 to £1.2m.

Non-linked tife husiness profits also showed steady growth from £10.9m to Stewart Wrightson climbs 62% to £9.9m

L&G hit

on general

insurance

A FALL of more than 21 per cent in pre-tax profits from £25.3m to £19.9m was experienced by the Legal and

General group, Britain's second largest life company, in the first six months of

A significantly lower tax charge helped to soften the blow, and reduced the decline in attributable profits to 14 per cent to £17.2m.

Earnings per share slipped from 13.07p to 11.28p.

The interim dividend is being lifted by 13 per cent from 7.5p to 8.5p.

from 7.5p to 8.5p.

Profits from long-term life
and pensions operations
showed a steady increase of
per cent from £26.4m to
£28.5m, while profits from

by losses

## Sedgwick's and Willia Faber's look pretty tame hy romparison and its menagement deserves full credit for the efforts it has made over the last few years to put the group in a position to deliver such eoviahle figures. That said, the chairman is right to express Legal & General Attributable profits the chairman is right to express caution over the second half since a number of factors are clearly going to limit profits growth. The husiness inquiry rate is no problem hat placing the business with today's capacity shortages is another matter entirely. Staff and equipment costs are being driven up by the

£12.6m, but pensions husin only marginally improved by £200,000 to £7,3m, reflecting

1963 '84 '85

effects of the recession in the Overseas life profits declined slightly with U.S. life profits dropping from £5.9m to £5.3m and profits in Australia falling marginally from £1.6m to £1.5m. However, L and G's general insurance husiness was hit

hard over the period, par-ticularly in the UK-its main operating territory. Total pre-tax lesses rose from £5.72 to £13.5m after underwriting losses had swellen by £10.5m Premium

general business in the UK rose 16 per cent to £80.2m. But the severe weather in the early months of the year sent underwriting losses climbing to £16.2m.

L \* G is a major insurer

of house structures in the UK and the wloter weather cost it £10m in claims. Sublem and cost a forther £5m. The net result produced underwriting losses on the property account of £12.2m, against £7.8m.

The company was also hit

by rising claim numbers on its motor occount. Under-writing losses increased from £2.2m to £4m on premium income up from £14.4m to £16.3m.

Underwriting losses on other UK business doubled from £2m on premium income up £800.000 at £8.4m.

comment

The market, having experienced some very poor figures from the other insurance groups, was prepared for the worst from Legal and General. So analysis were pleasantly surprised that pre-tax profits had declined hy no more than e fifth. The general insurance losses were not as high as feared, despite the bad winter in the UK and higher reinsurance losses. Any diseppointment comes from a lower than expected growth in life prifits. Pensions business in the UK has stagnated from the recession and so has profits. In contrast, husiness is hooming for the US subsidiary, Banner, thereby imposing an littial strain and cutting profits in the The market, having experienced for the US subsidiary, Banner, thereby imposing an littial strain and cutting profits in the short term. However, the outlook for the rest of the year is encouraging. Pensions husiness should pick up as the recession ends. Life business is growing steadily and the U.S. will soon bring profits growth. Premium increases in UK house insurance, with further planned should cut losses at least in 1986. The share price rose 25p to 670p reflecting the market's relief at the results. The yield is 5.4 per cent on a prospective dividend, up by 16 per cent on last year to 25p.

flaids.

Such expansion and international davelopment called for a considerable increase in the resources of the group, together with a rainforcement of its financial structure. For these reasons an increase of 400 million transport of \$COA S.A.'s permented funds were made last July.

This operation has effewed the Oumez Group and Soudi Interests to become shareholders of \$COA S.A. The Paribas Group, which remains the major shareholder of \$COA S.A. The Paribas Group, which remains the major shareholder of \$COA S.A. with a share of 37 per cent has transferred part of its holding to Cobeps, its Belgian subsidiary. At the next floerd Meeting of SCOA S.A. it is proper directors representing the new starsholders.

## Utd. Biscuits moving into olive market via £55m U.S. deal

BY DAVID GOODHART

Mr Alistair Clarke, United's United Biscuits, the largest Mr Alistair Clarke, United's group treasurer, said yesterday that the olive company was 'a good business within the speciality food husiness and should provide considerable opportunity for cutting costs. The existing management would be staying with the company. Only about \$2m to \$3m of deht was expected. hiscuit manufacturing group outside the U.S., has bought the olive division of Early California Industries (ECI) for "not more than " \$73m (£54.8m).

The olive division made a profit in the year to March 31 1985 of just over \$10m on a turnover of ebout \$20m. The net assets are estimated et \$50m. The sale appears to have been prompted by ECI's heavy deht liability—the result of severe competition in its rice and wine divisions. But the olive market is growing by about 2 per cent e year according to United and profit growth of about 10 per cent sition represented e sound, if unexciting, move.

Mr Michael Landynore, of Henderson Crosthwaite, added that the timing was not particularly good "while the company still has to come ts grips with some of its underperforming assets."

Earlier in the year United announced a £98.2m rights issue. The vendor placing will further increase its total share capital by about 5 per cent.

Early California Olives, which will become part of United's U.S. subsidiary. Speciality Brands, markets both black and green olives. It claims about 28 per cent of the bleck clive market and 3 per cent of green.

Cash forms £25m of the deal and the rest involves a vendor placing with ECI being allocated

United worth about £30m. They were yesterday placed with clients of Morgan Grenfell (United's financial advisers) and hrokers Rowe and Pitman and Wood Mackensie at 186p per share. United's share price yesterday fell 3p to close et 178p.

increase its total share capital hy about 5 per cent.

The cookie war in the U.S.—nrincipally with Nabisco and Proctor and Gamble—continued to dent United's half yearly figures aunounced last week. Pre-tax profits were up from 134.6m to 136.3m and turnover increased from 1347.1m to 1392m. UK turnover was \$498.3m and North American was \$462.7m.

was expected.

United's previous diversifications in hte U.S. have not all
been successful hnt most analysts
agreed yesterday that this acquisition represented e sound, if

was expected.

#### Slow economic recovery hits Cussin's profits

The slow recovery of the general economic situation in the North-east of England following the miners' strike, is one of the principal reasons for Cussins Property group's pre-tax profits falling from £324,000 to £345,000 in the six months to June 30.

Despite this however, the interim dividend is maintained at 2.4p per share — last year a total of 6p was paid from pre-tax profits of £1.32m.

Another contributing factors

to the downturn in profits is that the director's systematic review of the commercial property port-folio resulted in only one small disposal, says Mr P. I. Cussins, the chairman.

Profit margins in the residen-tial sector fell by 5 per cent be-cause, while house prices in the North-east remained static, building costs increased. The gradual imporvement in consu-mer demand for its properties has continued, albeit more slowly than anticipated. Mr Cus

says reservations are now at a high level. The board anticipates the completion of a record number of units in the second half, although at the current reduced

Commenting on the group's commercial division, he says gunual rental income receivable will exceed film for the first time this year. He reports "excel-lent progress" on two major schemes under construction in South-east London and at Newcastle-upon Type.

The residential divinsion is

expected to produce a greater contribution to profits in the current half year than in the first six months, and the prospects for the commercial division are also encouraging.
Stated earnings per 20p share fell from 10.64p to 6.29p in the opening half.

#### Cocksedge calls in receivers

By Martin Dickson Cocksedge (Holdings), a loss-making Ipswich-based engineering company with about 180 employees, has called in receivers.

The directors said their reluctant decision had been taken in view of "the continued lack of profitability and high level of debt, and after the most strenuous efforts have failed to find a buyer for the business as a going concern." Cocksedge makes mechanical

Cocksedge makes mechanical handling equipment—much of it for the sugar industry—and is also involved in structural engineering. It has been losing money for the past five years, though its half-year figures to September 30 last year showed a reduction in pre-fax losses from £152,000 to £68,000.

Its shares were suspended on Thesday at 36p, giving the com-pany a market capitalisation of £506.006

Mr Bill Roberts of Ernst and Whimney, the joint receiver, said he would try to find a buyer for he would try to find a buyer for the business as a going concern and he had had some inquiries yesterday. However, he was not able immediately to put a figure on the company's debts.

Mr R. F. Atkinson, who has been chairman of Cocksedge since May, bolds a stake of about 17 per cent in the company, with around a further 15 per cent believed to be held yariously by investors Stephen Lofthouse, Christopher and Linda Knight and Knight City Securities. Christopher

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## **Utd News** in £5m CTN deal

By Frank Kane

United Newspapers yesterday announced a £4.8m cash purchase of the retail newsagent division of fellow provincial newspaper chain EMAP, formerly East Mid-land Allied Press.

The acquisition is the serond significant more into the confectionary, tobacconist and newsagent (CTN) business which United has made in just over a year. In June 1934 it bought the Mills (North British) chain of CTN outlets

The current acquisition, which traded under the name of Read-well, comprises 48 CTN retail shops and 13 shops trading as Gallery Cards. It made profits of £272,000 on turnover of £13.8m in the year to March 1985, and Mr Graham Wilson, finance director of United, said yester-day that he hoped to Improve on

those margins.

Mr Robin Miller, EMAP's chief executive, said that Readwell had been the subject of a number of enquiries over the past few years, and the group decided recently to concentrate on the mainstream publishing activities. It is understood that EMAP approached United towards the end of last month with a view

end of last month with a view to selling the chain.

The United shops division is trading well following the intergration of the Mills outlets, which were bought as loss-makers and turned round to profit within three mooths.

The purchase price compares with a book value of £1.45m for the assets at March 30.

#### Somportex loss

As forecast last January, pre-tax losses were suffered by Somportex Holdings confec-tionery distributor for the year ended April 30 1985. For the 12 months turnover was unchanged at £4.56m, while after an exceptional provision of £70,000 for costs of the anticipated disposal of a property lease, the taxable figure wes £276,000. This is compared with a profit of £104,000.

Loss per 25p chare is given as 7.07p, against earnings of 1.65p, after a tax credit of £78,000 while much

Security printing leaves Bemrose in red

favourable in the second half.

In his last annual report, he indicated that there might be problems in finding capacity to ebsorb risks. His comments have heen fully justified and capacity has contracted dramatically, preventing the groop from placing some of the husiness on offer. This is particularly the case with North American casualty husiness, where the group has a strong position.

Therefore, he says, he would

Therefore, he says, he would not expect the group's income to grow as rapidly in the second as in the first.

The rate of growth in expenses is unlikely to moderate. In common with all other insurance hrokers, there has been a very

After £139,000 tax charge, specialist packaging and printing group, suffered taxable losses of £728,000 for the first six months of 1985, compared with profits of £261,000.

The directors, however, look forward to a profit recovery in the second half, continuing into 1986 and beyond.

After £139,000 tax charge, from Spesi or the counterclaim from the compeny, the directors say the interim dividend is cut from 4.4p to 1p net per share, the directors say thet is decision on the amount of the final payment will depend on results for the second half, and prospects for 1986.

The directors from the compeny, the directors say.

The company continues to perform well within its other add.

In the competitive packaging for the counterclaim from the compeny, the directors say. packaging and printing group, suffered taxable losses of 1985, compared with profits of 1985, compared with profits of £261,000.

The directors, however, look forward to a profit recovery in the second half, continuing into 1986 and beyond.

They had forecast, at the annual meeting, that the company would return to profitshle randougling performance for the annual meeting, that the company would return to profitshle reduction in manpower and a pany would return to profitshle reduction in manpower and a second quarter etrengtheus the second quarter etrengtheus the second quarter etrengtheus the second during the fact of the second pany would return to profitshle reduction in manpower and a second quarter etrengtheus the second during the fact of the second pany would return to profitshle reduction in manpower and a second quarter etrengtheus the second during the fact of the second pany would return to profitshle reduction in manpower and a second quarter etrengtheus the second during the fact of the second pany would return to profitshle reduction in manpower and a siven as 7.57p (0.32p earnings).

The company continues to perform well within its other form well within its other.

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In the competitive packaging market, they market, they market, they such the second the second the second the second the second the effects of another dismal set of results form well with on the effects of another dismal set of results form well with on the second the form

pany would return to promene tradiog in the second six months; operating performance for the second quarter strengthens the directors' belief that this anticipated recovery will take

place. Turnover advanced from £23.83m to £30.4m for the first half. There was an operating profit of £99,000 (£582,000) after an exceptional dehit of £520,000 covering the costs of reconstruct-ing the security printing division, while much higher interest

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CAUSED MAINLY by problems f827,000, took the pre-tax figure recovery relating to the claim from Spesi or the counterclaim group have performed on or make on a recovery path—

After f139,000 tax charge, from the compeny, the directors ahead of budget.

business has been restored to

profitability. The dispute with Spesi SA, in both connection with the supply of an husy connection with the supply of an earlier text processing system, not been able to improve margue in markets which are characterised by over cepacity. covering the costs of reconstruct—settlement it is not practicable ing the security printing division, to establish with reasonable while much higher interest accuracy the ultimate financial charges, op from £321,000 to effect of any payment or cost,

order to reduce both direct and an improved profit in comparison overhead costs. As a result, they state, the cheque printing they say.

Bemrose Cartons has continued to trade profitably but, though both its factories have had a husy first half, the company has not been able to improve margins

The Souvenir Group, in the U.S., has had an excellent atart to 1985, well ahead of hoth last year and hudget, and the com-nany bas high expectations for not for the hops that the com-the future. shares might be lower were it not for the hops that the com-pany might get taken over.

comment

ever, the market will want some firmer evidence of recovery before re-rating the shares, and in the meantime may not take kindly to news that margins are "not satisfactory" in the packag-ing business, and to signs that diaries and calendars are performing at roughly last year's levels. Partly as a result of rationalisation costs gearing is higher than 65 per cent and at the current rate could be head-Calendars and Diaries will the current rate could be headachieve another good set of ing for 80 per cent hy year end,
results for the full year. The
complementary advertising ill afford to lose the current
products husiness is meking a
useful contribution to the
division's profits.

The Souvenir Group, in the
U.S. has had an excellent atart
to 1985, well ahead of hoth last
short of the 1983 outturn. The short of the 1983 outturn. The

#### pany might get taken over. DIVIDENDS ANNOUNCED

_	Date	Corre-	Total	Total
Curren		sponding		135t
paymen			year	
Aerospace Engineer 12	Nov 6		2.4	3.25
Britannia Arrowint. 1.2	Nov 15	1.1	_	2.5
British Syphonint. 1.25	Nov 5	1-	_	2.4*
Cakehread Robeyint. 0.8	Jan fi	0.8		3.1
Cooper Indsint. 0.4	Jan 6	0.3	-	0.75
Cussius Propertyint. 2.4	Nov 30		_	6
Delaney Groupint. 0.8	Nov 22	0.81	g	2.21
Fleet Holdings 5.5		3.25	g	5
J. Hewittint. 0.4		0.4	_	2.4
Icelandint 22	Nov 22	_	_	
Jones & Shipmanint. 1.15		2 = u	_	2.75**
Legal & Generalint. 8.5	_	7.5	_	21.5
Lowe Howard	Nov 15	_		2.6
Hugh Mackayint. 1.4	Nov 15	1.4	_	4.6
Manson Finance 0.88		0.5	1.5	1
Paul Michaeltint. Nil		Nil		1.25
Owen Owenint. 1.25	Dec 2	1.00	=	3.E
Steel Burrillt int. 4	Nov g	1.5	_	7.5
Stewart Wrightsonint. 6.3	Nov 1	4.2		1g
Telemetrix 1.15			1.75	1.4
James Wilkesint. 3	_	1.2		4.8
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PROFIT BEFORE TAX

**UP 62%** 

1985: £28,523,000 1984: £17,635,000\*

EARNINGS PER SHARE

**UP 43%** 

1985: 20.10p 1984: 14.07p\*

**UP 60%** 

1985: 8.00p 1984: 5.00p

Strong performances by all operations of the Fleet group combined to produce a record result for the year ended

30 June 1985 with a profit from ordinary activities before taxation of £28.5 million.

=Argus

PACKET

Camelford & Delabole



This is an increase of 62 per cent on the previous year (excluding the profit on the

before interest at £10.6 million was particularly

The magazines turned in another excellent result with an operating profit of £10.8 million, an increase of 20 per

last year. None of these has yet produced

a full year's

Income from interests in related companies at £1.1 million reflected in large measure the improvement at TV-AM and contrasted with

A final dividend of bringing the total for the

an increase of 60 per cent over that for the previous year. Fleet's record results

are compelling evidence



sale of Reuters in 1984). The national newspapers' operating profit

> encouraging and represented a 63 per cent increase on the previous year's figure.

cent on the previous year. The local newspaper interests have been expanded by a number of acquisitions over the

Daltons Wee

FARMING NEWS

**ADAS loses** 

What's new n Computing

contribution but even so the operating profit from this sector showed an appreciable improvement.

last year's share of losses. 5.5p per share is proposed

DIVIDENDS PERSHARE

of the strengths of its business activities and the ability of its management team.

\*Excluding profit on sale of Reuters shares of £4.6 million, representing 4.70p per share.

Fleet is growing fast; don't change a winning team.

### HOTEL JORDAN INTER • CONTINENTAL



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## SALE BY TENDER

THE ASSETS OF

RELIABLE TOY CO. LIMITED

Sealed tenders will be received by the undersigned as Trustee in the Proposal until 12:00 noon on Tuesday, October 15th, 1985, at 789 Don Mills Road, Suite 504, Don Mills, Ontario, for the purchase of the following assets:

Parcel No. 1 The name Reliable Toy Co. Ltd.;
Parcel No. 2 The shares of Reliable Toy Co. Limited;
Parcel No. 3 The inventory of finished goods;
Parcel No. 4 Unfilled orders on hand epproximating \$865,000; list to be provided to successful purchaser;
Parcel No. 5 Tool and dyes;
Parcel No. 6 Value of raw meterials et standard cost, \$871,170;
Parcel No. 7 Manufecturing and production equipment;
Parcel No. 8 Office furniture and equipment;

Parcel No. 7

Parcel No. 5

Parcel No. 9

Parcel No. 9

Parcel No. 9

Parcel No. 9

Parcel No. 10

Parcel No. 10

Parcel No. 10

Parcel No. 11

Mitel SX200 telephone system (Ericsson).

Envelopes containing tender must be sealed and clearly marked "Tender-re Reliable

The assets may be inspected by appointment only.

Any teoder submitted shall be subject to the Trustee's Conditions of Sale which are available from the Trustee.

The highest or any offer will not necessarily be accepted. For additional information please contact Mr Richard Kline, C.A., at the office of the Trustee:

YALE & PARTNERS LIMITED

Interim dividend lifted to 8.5p (7.5p).

Group Premium Income

Profit from operations Long-term business

Fund management Short-term business

Shareholders' other income

Employee profit sharing scheme

Profit attributable to shareholders

Associated companies

Profit before taxation

Profit after taxation

after taxation.

Earnings per share

Taxation.

Life and pensions

General insurance

Trustee in Bankruptcy 789 Don Mills Road, Suite 504, Don Mills, Ontario M3C 3M2

Legal & General Group

**Interim Results 1985** 

Unaudited results for the first half-year of Legal & General Group Plc

6 months

30.6.85

£m

452.2 119.0

19.9 (2.3)

17.6

(0.3)

17.3

11.28p

Note: The Group accounts for 1984 received an unqualified auditors' report and have been filed with the Registrar of Companies. Copies of the full half-year report will be sent to all shareholders. Further copies are available from The Group Secretary, Legal & General Group Fic, Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

Higher long-term business and fund management profits.

General insurance results hit by U.K. household claims.

Telephone: (416) 424-3020

#### **UK COMPANY NEWS**

## B & Q's popularity helps lift Woolworth to £7.5m

THE GROWING popularity of B & Q stores among DIY shoppers has made an impact on Woolworth Holdings' results for its traditionally quieter first half. This, together with sub-stantially reduced losses at the standary reduced losses at the F. W. Woodworth retail chain, enabled the group to turn in a 17.5m profit, before exceptional items, against £600,000, for the

items, against £600,000, for the period to August 3, 1985.

Mr John Beckett, the chairman, said the results-were in line with expectations and "we look for continued growth in B & Q and the traditional surge in trading for Comet and F, W, Woolworth in the run un to Christmas."

The second half last year produced a pre-exceptional profit of \$56.2m, and market analysis currently expect this to rise to first his year.

First half earnings per share were 3.2p (0.3p) pre-exceptionals and the interim dividend is

and the interim dividend is being raised from last year's scrip issue adjusted 1.75p to 3p. B & Q, which notched up a \$4.3m rise to \$16m, maintained profit margins in the first half and is poised to increase its number of out-of-town stores from 160 to 175 or 180 at the year-end.

Its popularity has improved substantially over the past four years according to a recent survey of 2,000 adults published by Harris International Marketing. Its share of buying trips ng all DIY retailers was the

mong all DIY retailers was the highest et 10 per cent.

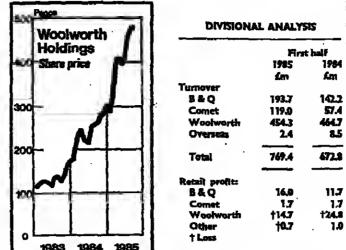
B & Q was "continuing to grow at quite a healthy rate," said the chairman who was also looking forward to the prospect of Sunday opening at all of its stores. "Their profits might have been even better if they were opening all stores on Sun-days," he said.

Losses et F. W Wast

days," he said.

Losses et F. W. Woolworth
were cut from £24.8m to £14.7m
through "lighter housekeeping,
the elimination of some unprofitable stores and turnover and a
better product mix," said Mr

Mr Geoff Mulcahy, managing director, added that the emphasis in the Woolworth chain was on development rather than dis-posal and "getting to grips with the retailing issues."



He said the group's overall strategy was to focus on clearly identified retailing opportunities. tdentified retailing opportunities. B & Q and Comet, which was acquired last year, had clear identities and at Woolworths "we have identified a more limited number of target markets."

Comet, which had 175 stores at halfway and is quite dependent on Christmas trading, contributed an unchanged £1.7m to profits.

Group turnover for the first half climbed by £96.6m to £769.4m, but was entirely due to B & Q and Comet which for an increased £193.7m (£142.2m) and £119m

(£57.4m) respectively. F. W. Woolworth's turnover was down from £464.7m to £454.3m, accounting for e reduced 59 per cent, against 69 per cent of the total. Woolworth had 780 stores in its main chain at the start of August and 82 superstores — 14 stores were closed in the first half.

Mr Mulcahy said the company Mr Mulcary said the company was starting to split the stores into new chains and had recently opened a "Woolworth Mall" in Reading, a "Woolworth Week-end" at Hitchin concentrating more on leisure activities, and a "Woolworth General" at Dun-

stable with the emphasis or home products. In addition, he said the com-pany was still looking for acqui-sitions but stressed that "any acquisitions would be within our general concept husinesses which have a clearly identified targeted market."

In May, the company raised £146m from a rights issue to help finance the £75m earmarked for B & C's expansion, as well as the expansion and relocation programme for Comet and the revitalisation of F. W. Woolworth

Property income in the first half fell from £24.6 m to £22.3m as a result of disposals and higher interest charges, up from £13.6m to £17.1m, reflecting higher borrowings for working capital and higher interest rates. Exceptional credits were considerably reduced from £31.8m to £3.2m by the lower level of property disposals by the Woolworth chain, which gave a pretax result of £9.8m compared

with £52.4m.
Tax was lower at £3.3m,
against £15.6m, leaving an attributable balance of £6.6m

## **Active start for Lowe Howard**

THE FIRST six months of 1985 dividend payment of 2p net per U.S. toy retailer Toys 'R' Us, at advertising agent, Lowe share. This is compared with a which is entering the UK market Howard-Spink Campbell-Ewald single distribution of 2.6p in this autumn, and the company at advertising agent, Lowe Howard-Spink Campbell-Ewald

Year

£m

1984

954.8

220.2

53.7 5.3 (12.2)

(0.5) 1.8

48.1

(2.8)

45.3

(0.6)

44.7

29,27p

Re-stated

6 months

30.6.84

452.1 107.3

2.9 (5.7)

25.3 (5.1)

20.2

(0.3)

19.9

13.07p

Howard-Spink Campbell-Ewald (Holdings) have heen very active and this gives Mr Frank Lowe, chairman, great confidence for the second half as new business begins to impact on group results.

On impover down slightly from £24.57m to £23.55m, the chairman reveals pre-tax profits of £1.4m for the period, against a previous £1.2m, a rise of 15.7 per cent.

Mr Lowe's confidence of an "excellent result" for the whole year is reflected in an interim year.

Single distribution of 2.6p in respect of 1984.

After 12x of £628,000, against £619,000, earnings per share are given as 7.25p (5.8p).

The chairman explains that since the given a considerable amount of new work since the end of June—Lowe Howard has been appointed to launch a new liquetr, Misty.

Mr Lowe says that 1985 also saw the company's first advertising than the since being given a considerable amount of new work since the period, against a previous £1.2m, a rise of 135.7 per cent.

Mr Lowe's confidence of an "excellent result" for the whole year is reflected in an interim

Mr Lowe's confidence for the whole year is reflected in an interim.

year.

Clients this year include Eastern Alrlines, to advertise its London-Miami route, Wittworths, the Festival of India, the

## Footwear importing side hits Paul Michael profit

A CONSIDERABLY worse performance from its footwear importing. They add, however, that group importing companies has reduced pre-tax profits from they are continuing to seek suit178,000 to £85,000 et Paul ehle opportunities for expansion. Turnover during the six half of 1865.

The group, which came to the USM in September 1984, is again

The group, which came to the USM in September 1984, is again paying no interim dividend. There was a single final payment of 1.25p in respect of the year to end-December from profits of £293,000.

As stated at the time of flota-tion, and repeated in the annual report, the closure of the Romanian agency has meant consolidating alternative sources of footwear supplies. This will take longer than anticipeted, the The directors say that current trading in the footwear manufacturing and knatwear importing companies indicates that both should produce better overall profits in 1985 but these will be offset by poor results share of .7p against 1.3p.

### APG recovery continues

was achieved by the Allied Flant Group in the six months ended June 30 1985. Turnover has more than doubled et 55.3m against £2.67m and there is a pre-tax profit of £189.513 compared with a loss of £8.669. Earnings per share are 0.68p (0.25p loss); there is again no

The figures, the directors state, reflect the continuing and sus-tained improvement in the group's affairs and were not influenced by any acquisitions, although the group did take a controlling interest in a small

during the period.

They state that market conditions generally continue to be difficult but the group has shown its ehillity to gain an increasing share of the various markets in which it operates, and to do so at improved profit levels.

Over the past two years Allied Plant has successfully completed a period of considerable Plant has successfully completed a period of considerable rationalisation, coupled with some strategic acquisitions. The core husinesses are now providing a firm platform for organic growth, whilst the directors continue to evaluate further acquisitions.

## Jones & Shipman at £0.8m

Turnover for the first six months of 1985 rose by £1.39m

months of 1985 rose by £1.39m to £3.28m, generating a much higher operating profit of £749,000, against £204,000—the pre-tax result included interest credits of £21,000 (charges £3,000).

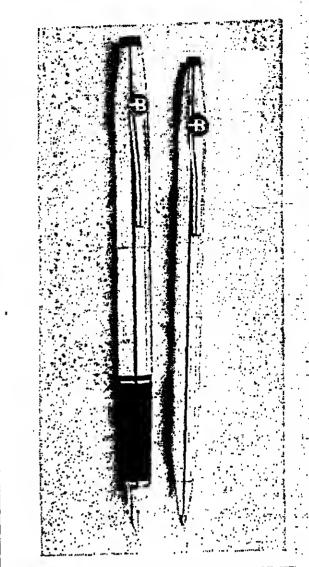
Earnings per share climbed from 1.7p to 6.3p and the interim dividend is 1.15p, compared with 1p which-incloded a special 0.5p payment.

payment.
The directors say that the

Jones & Shipman, manufacturer of high precision machine is 25 per cent higher than the tools, has nearly quadrupled its corresponding period of 1984 and interim taxable profits from orders on hand amount to about 41 months work.

However, they say that a sound home market is vital to the machine tool industry and it is therefore of some concern that, hased on recent UK manufac-turers estimates, investment in capital goods during the next 12 months is not expected to rise over the current subdued level.

Despite this, they say that with the lively interest in the company's new products a greater share of the overall market can



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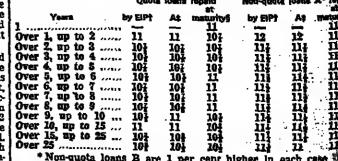
#### MARINE MIDLAND BANK N.A.

U.S.\$125,000,000 Floating Rate Subordinated Capital Notes **Due 1996** For the three months

19th September, 1985 to 19th December, 1985 the notes will carry an interest rate of 81/6% per annum with a coupon amount of U.S.\$213.28 per U.S.\$10,000 note and U.S.\$1066.41 per U.S.\$50,000 note. The relevant interest payment date will be 19th December, 1985.

Listed on the London Stock Exchange By Bankers Trust Company, Agent Bank

## **Public Works Loan Board rates**



\*Non-quota loans B are 1 per cent higher in each case in non-quota loans A. † Equal instalments of principal. † Resulting by half-yearly annuity (fixed equal half-yearly payments to principal and interest). § With half-yearly payments of the latter.

## **UK COMPANY NEWS**

# **Profits nearly double** to £10m mark at Britannia Arrow

profits of £10.05m, against £5.27m, were achieved in the first six months of this year by Britannia Arrow Holdings. Earnings per share rose from 2.3p to 4.3p—an Additionally extraordinary pro-

fits rose by more than 40 per cent from £4.19m to £6.05m, giving earnings per share of 8.3p against 5.1p. The interim divi-dend is being increased from

Turnover, excluding banking and insurance, was down on the period from £290m to £286m. However, the UK and inter-However, the UK and inter-national investment management divisions increased profits by 86 per cent to £7.1m. The benefits anticipated from the reorganisa-tion of the Denver-based Financial Programs are now being seen.

being seen.
The banking subsidiary, Singer and Friedlander, continued to make progress and contributed £5.19m, against £1.47m.

F5.19m, against £1.47m.
Profits from the life subsidiary are only included in the full year's figures after an actuarial valuation. The new offshore subsidiary. NEL Britannia International Assurance, was launched in January and sales have exceed expectations. Late this year will see the launch of the onshore linked life company, NEL Britannia Assurance.

SINESS GIFT

jê. . nac

written off as an exceptional item in the half year's figures. Interest charges rose from £2.14m to £3.01m, reflecting the groop's expansion in recent years. During 1985 the investment in London Trust was realised for £15.8m, and was used to effect the early repayment of comment

For all the broubaba surrounding the ptacing of BT shares by Singer & Friedlander, these were as respectable a set of figures as one would expect from Britannia's comfortable new address. While the figures are flattered in comparison by the inclusion of a full period from Singer, Britannia is clearly making good progress on its unit trust side: UK profits of the best part of £3.9m display not so much a sturdy market for new products as the skilful management of the jobbing book. Although the stock-market background is likely to be less exciting in the second half, there seems no reason why Britannia should not make £18m or more for the year—putting the shares should not make £18m or more for the year—putting the shares on a prospective p/e of nearly 14 after a 5p rise in the price to 110p. Britannia is, bowever, unlikely to push its dividend too hard merely to please a large sharebolder in the form of Guinness Peat.

#### Saxon stake in onshore well BY FRANK KANE

Saxon Oil, on the eve of the first closing date of the offer from Enterprise Oil, announced yesterday that it has bought Enscot Petroleum, for £57,000 cash, from the ultimate owners Denison Mines of Canada.

Mr. Edward Harris of Sayon

Denison Mines of Canada.

Mr Edward Harris, of Saxon, said that it was still "business as usual" at the company. The main attraction for Saxon was the 12.5 per cent Enscot interest in an onshore well in Fyfe, Scotland. The acquisition will locate saxon's interest there to 25 per cent.

25 per cent.

26 Mr Shares, or 22.19 per cent or the total.

The first closing date for acceptances of the £121m Enterprise offer comes at 3 pm today, with most analysts anticipating a close-run ontcome. Enterprise shares closed at 176p, 2p ahead, while Saxon were unchanged at the offer price.

yesterday that it had made further purchasea of Saxoo shares in the market at the offer price of 540p. A block of 200,000 shares were bought on Thursday, to give Enterprise a bolding of 4.96m shares, or 22.19 per cent of

## **UK ECONOMIC INDICATORS**

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding scbool leavers) and unfilled vacancles (000s). All acasonally adjusted.

Indl. Mfg. Eng. Retail Retail Unemprod. output order vol. value\* ployed Vacances. Vacs.

	D1044	Ourput					
1964							
2nd qtr.	102.4	190.4	107	110.2	130.1	3,026	154.0
3rd qtr.	102.3	101.3	- 106	111.1	133.3 -	3,076	165.1
4th qtr.	193.4	101.2	104	113.6	164.0	3,103	166.5
1985 1st otr.	105.7	102.4	102	: 112.6	. 133.9	. 3,138	157.5
lst qtr. 2nd qtr.	107.7	102.7	- 100	114.9	1414	3,174	169.5
January	105.2	101.8	98	111.6	134.4	3,124	157.2
February	105.0	102.1	107	112.0	130.2	3,144	156.1
March	106.8	103.2	102	113.8	136.5	3.147	159.2
April	107.7	102.6	101	114.1	140.3	3,179	166.7
May	107.9	102.0	110	114.6	142.0	3.177	107.1
June	107.5	103.6		116.0	141.8	3,169	174.8
July	106.4	101.5		116.1	146.9	3,175	179.7
August	20012			116.1		3,182	179.4

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

Consumer invst. Intmd. Eng. Metal Textile Housg. goods goods goods output mnfg. etc. starts\*

July	100.8	10L5	111.5	101.0	120.0	99.0	18.3
June	103.2	103.4	111.7	104.0	123.0	102.0	17.9
May	101.1	102.5	113.9	103.0	122.0	98.0	19.9
April	191.7	102.3	113.1	103.0	1.20.0	99.0	17.9
March	. 102.0	103.0	110.2	104.0	115.0	100.0	16.6
February	102.4	101.0	107.9	103.0	111.0	99.0	13.2
Jenuary	101.8	100.7	108.7	102.0	110.0	98.0	11.7
2nd qtr.	102.0	102.7	112.9	103.4	121.6	99.3	18.0
1985 1st qtr.	102.3	101.8	108.9	103.0	112.1	98.9	13.8
4th qtr.	102.5	98.3	106.1	99.7	107.3	<b>99.</b> 4	13.3
3rd qtr.	102.0	97.7	1046	100.2	110.8	98.2	16.2
2nd qtr.	191.6	95.8	105.5	98.8	107.6	97.7	18.0
1984	Poor	Poorie	Pove	oa-pac	2		

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

Export Import Visible Current Oil Terms Resv. volume volume balance balance balance trade US\$bn\*

109.1	119.7	-1.171	-109	+1,543	97.3	15.5
				+1,804	97,2	15.20
119.7	129.1	-1,313	+424	+1,468	96.0	15.52
120.5	128.5	-1,283	-535	+1,862	96.2	14.80
	125.7	-222	+1,278	+2,361	97.9	14.1
			- 12	+675	<b>95.9</b>	15.35
		-977	-704	+260	96.3	13.53
		-259	+242	+684	97.0	14.03
			+752	+835	98.0	13.96
			+284	+812	98.8	14.3
						14.2
	,	•••		,		14.20
	120.5 120.3 123.6 119.6 121.5 121.4 118.4 116.9	109.9 122.7 119.7 129.1 120.5 128.5 120.3 125.7 123.6 127.5 119.6 136.8 121.5 129.7 121.4 120.8 118.4 126.9 116.9 122.6	109.9 122.7 -1,615 119.7 129.1 -1,313 120.5 128.5 -1,283 120.3 125.7 -222 123.6 127.5 -241 119.6 136.8 -977 121.5 129.7 -259 121.4 120.8 +252 118.4 126.9 -216 116.9 122.6 -56	109.9 122.7 -1,615 -363 119.7 129.1 -1,213 +424 120.5 128.5 -1,283 -535 120.3 125.7 -222 +1,273 123.6 127.5 -241 - 12 119.6 136.8 -977 -704 121.5 129.7 -259 +242 121.4 120.8 +252 118.4 126.9 -216 +284 116.9 122.6 -56 +444	109.9 122.7 -1,615 -363 . +1,844 119.7 129.1 -1,213 +424 +1,468 120.5 128.5 -1,283 -535 +1,862 120.3 125.7 -222 +1,278 +2,261 123.6 127.5 -241 -12 +675 119.6 136.8 -977 -704 +260 121.5 129.7 -259 +242 +684 121.4 120.8 +252 +752 +835 118.4 126.9 -216 +284 +842 116.9 122.6 -56 +444 +693	109.9 122.7 -1.615 -363 +1.864 97.2 119.7 129.1 -1.213 +424 +1.468 96.0 120.5 128.5 -1.283 -535 +1.862 96.2 120.3 125.7 -222 +1.278 +2.361 97.9 123.6 127.5 -241 -12 +675 25.3 119.6 136.8 -977 -704 +260 96.3 121.5 129.7 -259 +242 +634 97.0 121.4 120.8 +252 +752 +835 98.0 118.4 126.9 -216 +284 +842 98.8 116.9 122.6 -56 +444 +693

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

Bank BS HP Base

M0 M1 M3 advances inflow lending rate

% % % £m £m %

August					. 524	_	
July	4.4	19.1	8.3	16.8	650		11.50
June	5.7	44.6	25.1	20.2	401	949	
May	4.2	33.2	18.4			979	12.50
April	5.4			17.7	615	1,042	12.63
Anni		22.2	18.8	19.5	507	1,061	12.63
March	- 12	- 1.2	9.2	16.0	214	965	13.50
February	3.1	- 5.0	4.6	13.3	474	1,013	14.00
January	5.0	9.0	13.6	16.3	823	1,168	14.00
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,082	
1st qtr.	2.2	0.7	9.1		1,511	9,140	12.50
1985			- 4	15.2	1,511	3,146	13.05
4th qu.	. 9.6	44.0	10.2	70.5	2,202	_,	
3rd qtr.		24.3	13.4	16.9	2,492	2,946	9.63
3rd otr.	- 5.3	10.2	6.3	9.9	7,628	2,813	10.50
2nd qur.	4.6	24.5	11.1	18.9	1,795	2,876	9.25
1984	20		-				
	20	70	- 70	70			

INFLATION Materials (1980=100	and fue	is, whole	sale pri	ces of n	panufacti	ared pro-	1.7
commodit	r index	(July 1	1952 = 100	)): trad	e weigh	ted valu	e of
sterling (	1975=10	ຫຼີ					
	Earn-	Basic	Whsale.			FILE	
	1085*	matis.*	mnig.	RPI*	Foods*	comdty.	Strlg.
1984	-					100	
2nd qtr.	155.9	134.3	132.0	350.9	329.1	385.86	79.8
3rd qtr.	150.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.0	289.64	74.1
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985	762-2	449.4	132.0				
1st gtr.	165.4	1400	136.6	362.9	332.8	295.22	72.8
2nd qtr.		146.2 138.9	139.4	375.3	239.4	278.13	78.9
January	170.3		135.9	359.8	330.6	296.98	71.5
Fohmor	163.4	145.3	136.6	362.7	332.5	295,73	71.3
February March	164.6	147.6		366.1	335.4	295.22	73.3
	166.1	145.5	137.5	373.9	338.8	295.08	78.0
April	169.4	140.8	139.2		. 339.3	279.98	78.7
May	169.4	138.8	139.5	375.6	. 339.3 340.1	278.13	79.9
June	172.0	136.7	139.9	376.4	340.1 335.8	259.5I	83.6
July		134.0	140.0	375.7	333.3 975 #	258,51 254 34	91.6

Not seasonally adjusted.

## Bernard **Matthews** family sells 2.1m shares

By David Goodhart

MR BERNARD MATTHEWS mn DERIVARIJ MATTHEWS, chairman of Bernard Matthews the Norfolk-based turkey, beef and lamb foods group, yesterday announced a surprise sale of 2.1m shares owned by himself and family trusts at 450p per share.

share.

The move, which reduces the family control from 53.2 per cent to 40 per cent, will net about £9.45mb. Mr Matthews' beneficial interests in the company have been reduced from 8.48m to 6.37m. The shere price rose 15p on the news to close at 485p-possibly on the grounds that the sale, mainly to institutional investors, increases the likelihood of a take-over hid at some point.

The company has just announced a hoost in turnover for the 28 weeks ended July 14 1985 from £44.7m to £56.88m and a pre-tax profits rise from £1.02m to £5.88m.

Mr Matthews said yesterday that in view of the substnacial increase in the value of the family holding—the share price was as low as 233p earlier in the year — it had been deemed prudent to diversify part of the increase.

investment.

A statement from the company added: "This diversification will not alter the commitment of Mr Matthews to the company. He has given an undertaking that, for a period of at least 18 months from Secretary 18 he will not from September 18, he will not dispose of any further shares."

#### Public buys 10% of NHLC issue

The National Home Loans Cor poration's offer for subscription of 500,000 units of shares and convertible loan stock drew applications for about 10 per cent of the units from members of the public, Hongkong Bank announced yesterday. These applications will be met in full. The offer was in units com-prising 100 ordinary shares and £100 nominal of 8 per cent con-vertible unsecured loan stock 2005 at a price of £200 a unit, with £100 payable on application and the rest on a date between January 1 and September 30 next

Financial institutions undertook to apply for all of the units and were guaranteed 70 per cent of them plus the balance of those not applied for by the public. Some 2,887 applications for 550,105 units were received and the institutions will receive ing this interim result with that about 90 per cept of the shares. of 1984 is misleading. The poor

# Profit warning cuts 25% off Bespak share price

THE SHARE price of Bespak, a manufacturer of aerosol valves, fell by more than a quarter yesterday when the company announced that its first half results were likely to be seriously affected by a trade dispute which had halted its sales of fire extinguishers. extinguishers.

Bespak, which set up a fire extinguisher husiness earlier this year, said that sales of this pro-doct had been handled through a UK company—not named—with which it was now "in serious dispute."

In a statement to the AGM, it added that sales had been halted and "may result in the need to provide for the possibility of a significant had deht." Bespak expected this to be a temporary situation, but it was likely to seriously affect the first half results.

The company, which recorded pre-lax profits of £2.27m in the yeer to May, said that the outcome of the current year would depend on a number of factors, he wilt remain on the board and

**Optimism** at Iceland

as profits rise by 17%

ings, an expanding retailer of frozen foods, based on Deeside, Clwyd, increased pre-tax profits sharply in the first half of 1984. This gave the frozen food to June 29, in line with its expectations of the control of

The rise, from £1.48m to operating margin to 5.5 per cent. 1.71m, was on turnover ex. This is a more normal year and

The company also announced aubstantial borad changes yester-day, though Mr Andrew Schumann, the managing direc-tor, said those had been in the pipeline for some months and had no connection with the fire extalguisher problems, which

This gave the frozen food retailers a clear edge and allowed IFF to increase its

mated in October, IFF was 113 times subscribed and the virtual tripling of the shares to 600p from the offer level of 210p justifies this degree of investor enthusiasm. This yeer IFF should make £3.7m pre-tax on a 12.5 per cent tax charge has the shares trill with comments.

still with some upward potential on e prospective p/e of 27. And this year's harvest news ought clearly to be watched with care—initial reports have it as poor but not as bad as 1983's.

including a return to fire extinguisher sales.

While it hoped to achieve record profits in the second half, the chances of reaching the 1984-the chances of reaching the 1984-the were no longer realistic. Its shares closed last night at 180p, down 65p on the day.

The company also announced them botd about 20, per cent of his time on Respak business.

It was also disclosed yesterday that another director, Mr Michael Schumann, disposed of 50,000 Bespak shares on September 5 at a price of 225p a share. Mr Michael Schumann and Mr Andrew Schumann between them botd about 4m shares in the company, some 30 per cent of his time on Respak business. the company, some 30 per cent of its equity.

Bespak, which went public in 1882, has been trying to diversify away from its past heavy dependence on one customer, Glazo, which last year cut back drastically in its demand for valves for its drug Ventolin.

Bespak said vesterday that it had made progress in rerucing reliance on Glaxo, with sales of catheter valves increasing as catheter valves increasing as planned and with the obtaining of an underwriters' laboratories epproval in the U.S. for its first range of fire extinguishers. I felt it had established the basic for a "new phase of controoled

#### A & M Hire buys 14.4% of Promotions Iceland Frozen Foods Hold- 1983 barvest pushed up fresh

has agreed to buy a 14.4 per cent stake in Promotions Bouse The rise, from £1.46m to £1.71m, was on turnover. expanded by 26.3 per cent to £36.68m against £29.05m.

The group, which went public in October 1984, is paying an interim dividend of 2.2p (nil).

Mr Malcolm Walker, chairman, says be is confident that the fullyear results will show a satisfartory increase on last year's pre-tax profits of £2.97m in spite of the poor summer which has affected the sales of ice-cream and allied products.

By the end of the year, he says, the group will bave opened 16 new stores, incloding three relocations.

Operating margin to 5.5 per cent. This is a more normal year and the margin on sales at the end should stay around the 4.8 per cent atruck at the midway point. Gains are therefore to come from new stores and this year will see group seems content to concentrate around the M5 snd M6 motorways given that its heart investment in a new cold storage centre now looks likely to be postponed till next year which should keep the capital spent within cash 9ow. When it was floated in October, IFF was 113 times subscribed and the virtual trailing of the poor summer which has affected the sales of ice-cream and allied products.

By the end of the year, he says, the group will bave opened 16 new stores, including three relocations.

Operation margin on sales at the end should stay around the 4.8 per cent atruck at the midway point. Gains are therefore to come from new stores and this year will see mound the M5 snd M6 motorways given that its heart pre-tax profits of the poor summer which has affected the sales of ice-cream and allied products.

By the end of the year, he says, the group will bave opened 16 new stores, including three relocations. which specialises in consumer promotions, and the two com-panies have begun talks on a possible merger.

A. & M. is buying its atake for 1990,000 (27.5p a share) from London Securiões, with completion taking place on September

A. & M. said it believed

merged group would be able to provide clients with marketing, promotional and sales expertise, which would form a base from which further acquisitions in the media todustry could be made. Promotions which is quoted on the USM, yesterday reported pre-tax profits up from £138,000

pre-tax prosts up from £138,000 to £231,400 in the first half. Earlier this year it acquired Bonusbond Holdings, which devises promotions and employee incentive schemes, A. & M. Hire, another USM company, reported taxable prosts of £741,108 (£705,832)

Oo completion of yesterday's share deal, Mr David Pearl, a director of London Securioes, will resign from the board of

This onnouncement does not constitute an offer to sell nor a solicitation of an offer to buy these securities

# INNER CITY ENTERPRISES **Public Limited Company**

Offer for Subscription of up to 5 million Ordinary Shares of £1 at Par

Inner City Enterprises PLC was established in 1983 by 52 financial institutions as a property broker and agent specialising in finding commercially-viable, iooer-city property developments for funding by institutional investors. The Company now intends to engage in direct property development and investment in this field and to finance these activities proposes to raise a minimum of £3 million and a maximum of £5 million by an issue of Ordinary Shares of £1 at par to existing shareholders and to other invited institutions.

The lists for the issue will open at 10 a.m. on Monday 23 September 1985 and will close at 12 nooo on Monday 30 September unless extended by the Directors.

Copies of the Prospectus relating to the issue, on the terms of which alone applications will be considered, are available on request from the Company at 23 Maddox Street, London W1R 0BN (Tel: 01-629 3087). The issue is open to invited institutions only and not to the general public.

CONTENT HOLDINGS BV

has acquired

UITZENDBUREAU CONTENT BV **BETA MANAGEMENT BV** 

BAYFINE LIMITED

through a management buy-out in conjunction with

NMB PARTICIPATIE BEHEER BV

We assisted in the negotialions and acted as Financial Advisors to the manegement

MATHERCOURT SECURITIES LIMITED

45 Bloomsbury Square LONDON WCIA 2RA

September, 1985

## COMPANY NEWS IN BRIEF

comment

STEEL BURRILL JONES Group company was confident that it reports an increase of 75 per cent from £884,000 to £1.54m in pre-tax profits for the six mooths to June 30 1985. The interim dividend is raised from 1.5p to 4p net—a one-for-one scrip is

(£2.62m) and pre-tax profit £515,000 (£258,000). Earnings per share were 8.15p (6.8p). •

J. HEWITT AND SON (FENTON) has declared an interim
dividend of 0.4p per share
(same). Turnover was £5.40m
(£2.8m), operating profits
£3m at 11½ per cent redeemable
on September 24, 1986, have been
issued this week by the following local authorities: Tweedale
is up from £28,000 to £190,000 District. Council £0.25m: Bury
after interest of £2,000 (£4,000).
Earnings per share are 2.0p
(£2.2p). Chairman is confident
that results for the full year will
be an improvement on those for
1984 when they were £541,000. 1984 when they were £541,000.

A.T.A. SELECTION pre-tax profits rose from £256,000 to £276,000 for the first half of 1985 on turnover of £1.3 im (£1.1m). After tax of £112,000 (£127,000) earnings are shown as 1.75p (1.35p) per share. Results are abown as if group structure, as currently constituted, existed throughout these periods.

EVERED HOLDINGS, which EVERED HOLDINGS, which hotds a total of 20.1 per cent of T.L and is widely expected to make a hid for the engineering group, yesterdsy amounced that it has directly acquired 4.25m shares (7.1 per cent of TI) previously held by Evered's financial advisers Robert Fleming. Evered is expected to make an interim profit announcement next week.

i kanan ang ang managpang ng panggang panggang panggang panggang panggang panggang panggang panggang panggang Ang ang ang manggang panggang panggang panggang panggang panggang panggang panggang panggang panggang panggang

would see growth in the second half of the year. Regarding acquisitions he said negotiations had reached an advanced stege

16 new stores, including three relocations.
Operating profits were up to £1.79m against £1.91m and there was an interest charge of £46,000 (£155,000). Tax took £214,000 (£75,000). Earnings per 10p share were 10.2p against 9.62p.

Iceland Frozen Foods does it right-or so the company motto

and the buoyant share price would seem to suggest. Compar-

HOWARD MACHINERY sharesp net—a one-for-one scrip is also proposed.

IAMES WILKES' interim dividend is 3p per ahare (1.2p dend is 3p per ahare (1.2p dend) serving sinto equity, and 30 1985. Turnover was £1.53m expand the company's horrowing (£2.62m) and pre-tax profit limits. A proposed name chaoge (£2.52m) and pre-tax profit limits. A proposed name chaoge to HW Holdings was also to HM Holdings Was epproved. Mr George Hill has resigned and is to be replaced by Mr D. M. Saunders.

be an improvement on those for 1984 when they were £541,000.

WESTWOOD DAWES has made a pre-tax profit of £62,000 in the six months to June 30 1985 compared with a loss of £113,000. Earnings per share are 1.71p on a weighted basis (loss 8,95p). Turnover was down from £890,000 to £867,000.

BUSINESS COMPUTER SYSTEMS, has lifted pre-tax profits from £55,000 to £67,000 in the first half of 1985, on turnover ahead at £4.21m (£3.88m). There was no tax this time against £16,000, and oet earnings per share and through higher at ahare came through higher at from December to Harch.

MANSON FINANCE TRUST proposes a final dividend of 0.875p, making 1.5p (1p). Taxahle profits for the year to June 30 1985 were £1.3m (£961,000) and earnings per share were 2.8p (2.6p).

BELLANEY GROUP's pre-tax profits for the half-year to June 30 1985 componding period of the previous year, with turnover up from £33,900, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from the £32,000, for the corresponding period of the previous year, with turnover up from £32,000 (£60,000, and ont include any proceeds from the £32,000, for the corresponding period of the pure £23,000, for the

CAKEBREAD ROBEY & CO. huilders' and timber merchant, has announced pre-tax profits down from £335,000 to £240,000 for the half year to end-June 1985, on turnover up from £9.67m to £10.52m. The interim dividend is beld et 0.8p, covered four times by stated earnings per 10p share of 3.3p (2.9p).

A.T.A. SELECTION pre-tax profits from GEC last May, they compare with the £752,000 for the first half of 1985 on turnover of £1.31m (£1.1m). After tax of £112.000 (£127,000) to earnings are shown as 1.75p (1.38p) per share. Results are

STANLEY LEISURE Organisa-tion, the privately owned book-making and casino business headed by Mr Leonard Steinberg, has disclosed a holding of 690,000 shares, or 7.67 per cent, in Rex Williams Leisure, the USM-quited manufacturer and distri-butor of specker tables. butor of spooker tables.

shares (7.1 per cent of Ti) previously held by Evered's financial
advisers Robert Fleming, Evered
is expected to make an interim
profit announcement next week

EQUIPU's shareholders at the
AGM were told by Mr Philip
Bradshaw, the chairman, that the

AEROSPACE ENGINEERING

# WOOLWORTH HOLDINGS PLC

Interim profits rise from £0.6 million to £7.5 million



COMET

175 Electrical discount stores

*WOOLWORTH* MAIN SUPERSTORES CHAIN CHAIN 780 Stores 82 Stores

WOOLWORTH **PROPERTIES** Responsible for assers

of over £500m

## INTERIM RESULTS

- **★** Group Interim profits up from £0.6m to £7.5m.
- \* Interim dividend 3.0p (1984 1.75p) per share.
- ★ B & Q excellent progress . . . rapid growth.
- ★ Comet equivalent result.
- \* FW Woolworth half time loss reduced by £10 million.

"The results are in line with our expectations ... Group profit for the full year will depend almost entirely on second-half trading.'

18 September 1985

John Beckett, Chairman

INTERIM RESULTS (unauthed) for the half year ended 3 August 1985	1985 (26 weeks) · £an	1984 (26 weeks) £m
Turnover (excluding VAT)	769.4	672.8
Retail Profit:		
B&Q	16.0	11.7
Comet	1.7	1.7
Woolworth	(14.7)	(24.8)
Other	(0.7)	1.0
Property income-Woolworth	22.3	2 <b>4</b> .6
Ne tinterest payable	<u>    (17.1</u> )	<u>(13.6</u> )
Profit before exceptional items	7.5	0.6
Exceptional items	<u>2.4</u>	51.8
Profit on ordinary activities		
before taxation	9.9	52.4
Taxation	(3.3)	<u>(15.6)</u>
Profit for the period	6.6	36.8
Earnings pershare	3.8p	24.6p
Earnings per share before exceptional items	3.2p	0.3p
Interim Dividend per share	3.0p	1.75p

Copies of the full statement will be mailed to shareholders shortly. th Holdings plc, Woolworth House, 242-246 Marylebone Road, London NW1 6JL

# Telemetrix soars 89% to record £4.7m

in Durham, reports pre-tax profits 50 per cent lower at £80,000 for the six months to

Mr John Mackay, chairman, blames the slump on delays in final decisions over large con-tract orders, a problem to which he referred at the annual meet-

**Hugh Mackay down 50%** 

facturer and distributor, based carpet sales has been encourage

itatic, increasing from £6.47m interim dividend is being mainto £6.72m.

Mr John Mackay, chairman, lames the slump on delays in the first orders, a problem to which he referred at the annual meeting in May, and exchange rate fluctuations.

However, he says the continuations interim dividend is being maintained at 1.4p.

Tax charges were £33.000 (£83,000); minorities added £2,000 compared with a £7.000 dehit; but there were no extraordinary items compared with a £285.000 credit last time. Attributable profits were £49,000 against £352,000.

manufacturer of advanced electronic products, including computer graphics display terminals, raised pre-tax profits by 89 per cent to a record \$4.74m in the year to July 7 against \$2.51m last time.

Turnover almost doubled from \$10.26m to \$20.18m.

Mr Roy Cole, chairman of the company, based in Tewkesbury, Gloucestershire, says be is delighted with the result after the difficulties of last year.

After going public in October

1983, Telemetrix admitted it be expects second-half results to be better than those for the first.

At the same time, be says, the company will seek opportunities to acquire complementary business.

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In common with the sector Telemetrix admitted it be better than those for the first.

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At the same time, be says, the company will seek opportunities and the same time.

In common with the sector Telemetrix admitted it the same time, be attempted as the same time, be attempted as the same time.

In the final dividend is 1.15p and the same time, be attempted as the same time.

In the same t After going public in October for some months. Like this year,

carpet sales has been encouraging and the order book, coupled with the high level of inquiries, makes the company optimistic about the second balf.

Earnings a share were down from 1.35p to 0.99p but the interim dividend is being maintained at 1.44p.

In common with the sector Telemetrix's shares have wilted this summer as the leaders and tiddlers in electronics have hombarded the City with a stream of dispiriting announcements. The glamour may bave gone and group's market worth has fallen

filling by big customers. That mentary to Westward which could throws a shadow over the current take it towards a broader "work six months and the next set of station" product. And the prospective dull side. Even so the group Gearing was 24 per cent at the could still make £61m pre-tax year end, is now 35 and heading which would dron the prospective towards 50-60 per cent by the ple to 13 at 258p—modest even group's market worth has fallen

day's results are better than most forecast at this stage and it had expected. There was a burst of saies in the final quarter—throughput was more than the whole of the previous year—which represents some pipeline filling by hig customers. That mentary to Westward which could throws a shadow over the current take it towards a broader "work six months and the next set of station" product. And the present

# St Ives Group to be floated by tender

BY LUCY KELLAWAY

St Ives Group, printers of colour magaziness and hooks, is comming to the stockmarket through an offer for sale by tender by N. M. Rothschild.

The group, which professas to be one of the leading quality colour printers in tha UK, was started in 1964 when the chairman, Mr Robert Gavron, hought a loss making printing company.

Since then, St Ives has expanded by ecquisition and by a programma of heavy investment in up-to-date printing machinery, and over tha past fiva years profits before tax of £2.5m.

Total and average (£1.9m) in the year to Joly 1985, the shares at the minimum price are on an earnings multiple of 11.5, and have 2 yield of 3.9 a further 30 per cent is covared by predictable orders from existing customers. Titles include the Carlor Dictionary of Dictionary of Dictionary of Untations.

About 25 per cent of the equity is being offered for sale at a minimum price of 290p, which piaces a value of £18.25m on the company. Based upon estimated appropriate.

The prospectus will be published on Monday.

# **Cooper Ind** rises 52% to £0.47m

Cooper ludustries has achieved an increase of 52 per cent in pre-tax profits for the six months to end-July 1985, and the directors of this Wolverhampton-based steel re-roller, precision engineer and tool distributor, expect the full year's result to show further progress.

Pre-tax prefits rose from £312,000 to £473,000 during the half year, on an improved furnover of £13.84m (£10.38m).

The directors are lifting the interim dividend from 0.3p to 0.4p to reduce disparity. Stated earnings per 16p share rose from 0.7p to 1.2p.

Due to late delivery the installation of Bromford's new hot mill equipment was behind schedule, the directors hehind schedule, the directors
say, but they expect the
increased output and efficiency of this plant to show
benefits in the future.
The pre-tax result was
struck after net interest payments of £378,000

# British Syphon on target with doubled first-half profits

VIRTUALLY doubled taxable profits are revealed by British many others, it is too early to many others, it is too early to draw conclusions for the year six months of 1985, and are in accordance with directors' indications given in their annual term strategy has been formally to improve the content of the profits.

review.

For the period ended June 30, on turnover expanded from \$11.83m to \$40.3m, predis rose, from \$513,000 to \$1.2m. These figures were after interest charged, up from \$214.000 to \$1.1m, while profits were subject to a tax figure of \$101,000 against \$166.000.

Earnings are shown as 5.8p (3.6p) per share and the interim

They add, however, that a least term strategy has been farmallated to improve the partition ance of this division in order to produce a satisfactory level

on turnover expanded from fill Sim to £40.3m, presits rose; from £513,000 to £1.2m. These figures were after interest charged, up from £214,000 to £1.1m, while profits were subject to a tax figure of £101,000 against £66,000.

Earnings are shown as 5.8p (3.6p) per share and the interim dividend is, in effect, lifted to 1.25p (adjusted 1p)—last year's equivalent total was 2.4p and taxable profits were £1.07m.

The directors say that efforts are continuing to improve the parformance from each area of group activities, and they have every confidence for Syphon's future.

Commenting on divisional results, they say that the paper manufacturing sector made an important contribution to group profit hut, as raw material costs and selling prices are more

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31

# GOLD FIELDS

OF SOUTH AFRICA LIMITED

# Chairman's Review

The continuing growth in the world economy and the sharp decline in the parity of the rand created a favourable climate for the South African mining industry. All the group's operating companies which are involved in exporting their products or selling them on the local market on the basis of world market prices, have improved their profitability. As a consequence, and notwithstanding the higher tax imposed on mining companies, the attributable earnings of Gold Fields of South Africa Limited increased to R201 million, which is 14% higher than the previous record level of earnings. At 30 lune 1985, the net asset value of record level of earnings. At 30 June 1985, the net asset value of the company was R3 958 million, an increase of 12% over the previous record figure.

#### WORLD ECONOMY

Although there has been a marked slow down in the rate of growth of the United States economy during the past year, the relative strength of the dollar against the currencies of its major trading partners has provided a strong stimulus to the export industries of those nations. Accordingly economic activity in the Far East, Europe and Latin America improved significantly while major segments of the United States industry have found it increasingly difficult to compete with imported products. The dollar peaked against most major currencies in February 1985 and its parity has declined in recent months. The impact of this decline is beginning to be felt by those who had previously benefited from the strong dollar.

Despite a growing awareness of the imbalances and disequilibria which exist in the United States economy, no serious attempts are being made to address these important issues. The main burden of trying to sustain economic growth is being borne by the Federal Reserve Board which has allowed the money supply to increase significantly in an attempt to forestall a downturn in the United States economy. While this policy, with its potential inflationary consequences, may lead to a modest upturn in growth rates in the coming months, there is growing evidence to indicate that the economy could move into the recessionary phase of the business cycle. Should this happen it will have a serious impact on the world economy as a whole and particularly on the demand for and prices of primary commodities.

## SOUTH AFRICAN ECONOMY

During the past year the South African economy has turned sharply downwards with a restrictive monetary policy and a growing degree of fiscal discipline. The overall position has been exacerbated by the progressive fall from its February 1983 peak in the dollar price of gold which initially created serious balance of payments problems with the result that there was a sharp decline in the parity of the rand. The natural adjustment process set in motion by the declining rand has led to a major improvement in the trade account as exports have been stimulated and imports have fallen sharply.

Immediately prior to the recent socio-political uncertainty the Immediately prior to the recent socio-political uncertainty the rand had started to strengthen and, at the same time, the process of reducing short-term foreign indebtedness had accelerated. The crisis of confidence resulting from recent events in South Africa has been reflected in a renewed decline in the parity of the rand. This has provided a major set-back for the recovery of the South African economy which would, in normal circumstances, have started to become apparent. Nonetheless the economic fundamentals have improved markedly as a result of the current mix of monetary and fixed policies, interest rates are declining. mix of monetary and fiscal policies. Interest rates are declining the export sector of the economy is performing well and it can be expected that these two factors will start to stimulate the internal economy and this, in turn, should have a positive effect on the serious level of unemployment in the less skilled sector of the population. In these circumstances it is to be hoped that arrangements can be made to persuade foreign bankers to roll-over their existing facilities to South African borrowers. Such action will help to relieve the acute short-term pressure on the rand and create an economic environment in which the important socio-political issues can be addressed.

It has been apparent for some years that South Africa's taxation policy has been in need of a thorough review. This fact was recognised by the Government when the Margo Commission of inquiry was appointed last November. Notwithstanding official comments to the contrary, it must be expected that this Commission will not report for some considerable time if it is to produce a meaningful and well-researched package of taxation reform proposals. The subject of taxation and its interplay on any economy is complex. As has been found in a number of countries recently, precipitate recommendations, no matter how well intended, are likely to prove abortive. While in-depth Investigations are essential, the authorities must realise that basic inequities and inefficiencies in the tax system need to be removed on an on-going basis.

In this regard the Minister of Finance's 1985 Budget was the cause of concern. While admirable steps were taken to endeavour to start to bring State expenditure under control and place the financing of such expenditure on a sound basis, the method adopted to increase the revenue of the fiscus contained many serious deficiencies. Both bad taxation practice and fundamental inequities were part of the proposals for gathering revenue. In particular, the mining industry was singled out for a further increase in its already exceptionally high level of taxation. The perception in some quarters that the South African mining industry is under taxed is simply not true. By comparison with its major competitors in the industrialised world it is exceptionally highly taxed. The total take of the fiscus from the operating companies in the Gold Fields group during the past year was R1 005 million. During the same period the equity shareholders in the operating companies received dividends of R557 million. Quite clearly the apportionment of the profits made by these companies between the fiscus and the risk-taking shareholders is companies between the fiscus and the risk-taking snareholders is unrealistic. At the present time tax payments of these companies represent 63% of profit after deducting allowances in respect of current capital expenditure only. If one ignores these allowances, the tax payment represents 52% of the profits, After making due allowance for the tax-free nature of dividend income in the hands of companies, I do not believe that anyone can fail to recognise that this latter figure is substantially in excess of the corresponding figure for all sectors of the economy which are not subject to mining taxation.

## INDUSTRIAL RELATIONS

The elimination of discrimination in the mining industry remains the most important industrial relations issue, it is inconceivable that the present regulations, which restrict certain categories of work to whites and coloureds, can continue to operate in this day and age. It is essendal that the Covernment takes steps to remove the racial discrimination which is involved. The only criteria which should apply is the competence of the people concerned which will be related to the education and training which they have received. Existing employees in the categories concerned should not fear elimination of racial discrimination. As far as Gold Fields is concerned, all the mining companies of the group are prepared to give an undertaking, subject to the normal right of management to exercise its discretion on disciplinary matters, that no existing employee who is employed in an occupation covered by the "scheduled person" definition will lose his job or suffer a reduction in remuneration, as a result of the necessary change in the regulations. As far as the trade unions, whose membership encompasses scheduled persons, are concerned, we are quite prepared for them to extend their influences on a non-racial basis if they so wish. Our concern regarding the elimination of discrimination extends beyond the realms of racial discrimination and includes discrimination against women. There is no place for such discrimination in the modern era and it is to be hoped that the Minister of Mineral and Energy Affairs will act decisively on both issues during the next parliamentary session.

The National Union of Mineworkers continues to present the question of the elimination of racial discrimination as a conflict issue with the Chamber of Mines. The Chamber has, however, been working towards persuading the Government to eliminate racial discrimination for some years now and so in reality the Union and the Chamber have the same objective. Relations with this Union have been strained during the past year. There have been numerous strikes which have been stimulated by Union members, and have featured a number of undesirable aspects. It has become obvious that Union members are harassing their colleagues on the mines and that this harassment extends to intimidation and, in particular, threats to the physical well-being of non-members and their families. This development is untenable and has been discussed at length with employees of the mines of the group. We believe that we have a responsibility to protect the threatened workers to enable them to proceed about their normal business. Firm action has been, and will continue to be taken against anybody who can be shown to be threatening his fellow workers with physical violence. The right of employees to associate in any trade union is underliable but equally the unions have no right whatsoever to employ or permit their members to employ intimidatory tactics.

The group's remuneration practices are based on the circumstances prevailing in the Southern African region. Because of their dualistic nature, the economies of the region cannot be compared with those of the industrialised world. It has to be recognised that unemployment is endemic throughout Africa and particularly in sub-Saharan Africa. In South Africa itself there has been a serious increase in unemployment amongst the people who have little or no skills. These are irrefutable facts, unpalatable as they may be. The mining industry is one of the few industries remaining in South Africa which provides substantial employment to the less-skilled members of our population and, therefore, it has a responsibility in these difficult times to increase employment opportunities and not to erode them further by increasing minimum wages at B rate which will oblige good management increasingly to mechanize jobs which are currently undertaken by unskilled people. Those who would dwell on the academically determined minimum wage levels should devote more of their time to considering the moral issues revolving around the degradation which arises from the resulting unemployment it is the group's policy to pay competitive wages which will attract new employees to the group and to provide an efficient training structure which is dedicated to the development of the skills of all our employees. We believe we must strive within the limits of our abilities to develop each and every employee to the limit of his or her own abilities. A corollary to this approach is that there should be significant financial rewards for those who hold positions requiring higher skills. Such

higher rewards are justified by an increase in the productive performance which can be expected from the individuals concerned. We would like to see more rapid progress being made in the elimination of pay differentials between people of different colours and genders doing the same work. These differentials cannot be defended and must give way to salary structures based on common wage curves where the wages are determined according to supply and demand in the market place.

I am pleased to record that discrimination on the basis of race or gender was eliminated in our head office many years ago and all employees are remunerated on the basis of a common wage curve which provides competitive salaries for those living and working in Johannesburg.

#### GROUP OPERATIONS

As previously mentioned, the decline in the parity of the rand-As previously mentioned, the decime in the parity of the rand-had a major impact on the group's operating companies. As a result the turnover of these companies increased sharply to R3 363 million and pre-tax profits to R1 944 million. While the fortunes of individual companies fluctuated, the gold, coal and base metal sectors of our business prospered during the year. In particular, certain of the base metal companies which do not have the financial strength of the gold mining companies of the group, have been able to improve their positions. Notably Black Mountain has made further reductions in its indebtedness while O'okiep, which was not expected to make profits until It began mining in the richer, deeper areas of the Carolusberg mine, has

## **NEW BUSINESS**

A feature of the past year has been the delineation of a major gold resource in the Bank Break area to the south and west of the mirring lease of Kloof Cold Mining Company Limited. Proposals were made to incorporate the area into the existing Kloof lease area and for that company to mine the enlarged lease area with two operating divisions. These proposals have been approved by the shareholders of the Kloof company and await the formal approval of the Minister of Mineral and Energy Affairs. In the meantime, sinking of the first shaft in the Leeudoom Division of the Kloof company is proceeding.

The group's geologists and metallurgists continue their active investigations into the finding of new mineral resources and the beneficiation of both existing and potential products.

The geological investigations in the Northam platinum area are nearing completion and attention is being directed to determining whether the mineralised area can be turned to account profitably.

The outlook for the group for the current year is inextricably linked to the behaviour of the world economy, international prices of metals and minerals, the South African economy and, probably most critically, the parity of the rand.

While one must be cautious when assessing the future behaviour of the world economy and metal prices, there are good reasons to believe that the South African economy will enter a growth phase once confidence in the country returns. The return of confidence should also lead to the strengthening of the rand against the currences of its major trading partners, although it must realistically be expected that the rate of improvement will be moderated by the controlled repayment of short-term foreign indebtedness. At this time the key issue is confidence. For my own part, I am confident that the peoples of South Africa have the ability to hring about adjustments which will restore international confidence. I am also confident that Gold Fields with its inherent financial strength will play an important role in the further development of South Africa's major export industry for the benefit of our shareholders, employees and all the peoples

Unless there are any major unforeseen circumstances, shareholders may expect the group to increase its earnings in the current year and, if this is achieved, it should be possible to increase the total dividend above the past year's record level of 120 cents per share.

## **ACKNOWLEDGEMENTS**

During the year the second phase of the redevelopment of the group's head office complex was completed. Our staff is once more located within a single modern building which is elegant and functional. The third phase of the redevelopment scheme is proceeding and is due to be completed by the end of the calendar year 1996. This phase will provide a lung for future expansion and will be occupied by suitable tenants in the first instance. I would like to place on record my strong appropriation of intervent like to place on record my sincere appreciation of the work done by all those concerned with the redevelopment programme.

The past year has made exceptional demands on the management of the group and their staffs. Accordingly it gives me great pleasure to place on record my appreciation of the contributions made by all the members of the group in their various capacities.

ROBIN A. PLUMBRIDCE Chairman

30 August 1985

# Owen Owen forecasts a marked profit advance

AN INCREASE from 1.00p to to date indicate both an dividend, and the forecast of a gains in sales volumes.

"marked improvement" in results for the full year comes from Owen Owen, the Liverpool-based department store operator.

This follows a significant reduction in pre-tax losses for the 26 weeks ended July 27, 1985, down from £798,000 to £147,000.

Mr John Norman, the chair-

£147,000. Mr John Norman, the chairman, reports that sales increased by 7 per cent, from £37.43m to £40.03m, and were achieved despite reduced promotional activity in high voluma but low margin departments and an unsatisfactory fashion performance related to the poor summer.

The chairman states that as reported in his annual faster.

The chairman states that as reported in his annual statement changes are being made in many aspects of the company's operations.

Further progress has been made in profit planning with greater accountability for local management. The Owen Owen stores have been grouped into three regions (southern, midlands and north-west) each under the control of a newly appointed store director.

year was a little changed £33,000 (£50,000), to leave net losses. reduced from £848,000 to £200,000, for losses of £12pper share, compared with 9.01p. Owen Owen's 21 stores have not been extend performers of the compared with 9.01p. not been strong performers over the past few years but the pro-perty aspect—net asset value per share was 547p in the last balance sheet—has led to bid speculation on more than one

speculation on more than one occasion.
Clayform Properties, the USM company which specialises in the development of shopping malts and high-technology factories, acquired an 11.6 per cent stake in Owen Owen last month and there was apeculation that Clayform might redesign a number of Owen stores or even maks a of Owen stores or even make a full bid.

under the coutrol of a newly appointed store director.

Detailed plans have been put into effect for each store to achieve higher yields from companies had met but nothing existing selling space. Results specific has yet been agreed.

## **BOARD MEETINGS**

evellable as to whether the dividends am interina or finals and the sub-divisions shown below am besid melety an last year's timetable. TODAY interims: William Beird, Sodycots Interims: William Beird, Sodycots International, British Printing and Communication, Brown Bover Kent, Gerton Engineering, Higheroft Investment Trust, Jebsens Orilling, Laidiaw, Leporte., William Morrison Supermarkets, Perry, Ramco Oil Services, Rown-

The fellowing companies have notified tree. Mackintosh, Yule Colto, dates of board meetings to the Stock Finals: Amber Day, Industrial Finance Exchange. Such meetings am usually and Investment, Protimator. Stafford-held for the purpose of considering shire Pottenes. Westpool investment dividuads. Official indications are not Trust.

Clyde Perroleum Sept 27
ORG Sept 24
Falcan Industries Sept 24
Falcan Ressurtes Oct 7
Monument Oil end Gas Sept 27 Finals—
Continental Microwave ...... Sept 23
Oct 3 



#### Korea Exchange Bank £50,000,000

Floating Rate Notes due 1995

In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 16th September 1985 to 18th December 1985 the Notes will carry an interest rate of 115th per annum. The misers payable on each £5,000,00 and £50,000,00 Note on the

relevant interest payment date, 16th December 1985, against. Coupon 2 will be £148.03 and £1,460.31 respectively. Agent Bonk

Lloyds Bank International

## BASE LENDING RATES

A.B.N. Bank 111% Hambros Bank 111% Allied Dunbar & Co. 111% Heritable & Gen. Trust 111% National Bank 111% National Bank 111% National Bank 111% National Bank 111% National Giro Bank 111% Herown Shipley 111% Northern Bank Ltd. 111% Northern Bank Ltd. 111% Norwich Gen. Trust 111% People's Trust 111% People's Trust 111%

Barciays Bank 111%
Beneficial Trust Ltd 122%
Brit. Bank of Mid. East 111%
Brown Shipley 111%
CL Bank Nederland 111%
Canada Permanent 111%
Cayzer Ltd 112%
Cedar Holdings 12%
Charterhouse Japhet 111%
Choulartons\*\*
Citibank NA 111%
Citibank Savings 122%
City Berchants Bank 111%
Clydesdale Bank 111%
Craft Constant Chartered 111%
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City Merchants Bank 111%
Clydesdale Bank 111%
C. E. Costes & Co. Ltd. 12 %
Comm. Bk. N. East 111%
Consolidated Credits. 111%
Continental Trust Ltd. 111%
Cooperative Bank 111%
The Cyprus Popular Bk. 111%
Duncab Lawrie 111%
E. T. Trust 12%
E. T. Trust 12%
Exeler Trust Ltd. 12%
Financial & Gsn. Sec. 111%
First Nat. Fin. Corp. 13%
First Nat. Fin. Corp. 13%
First Nat. Sec. Ltd. 13%
Robert Freming & Co. 111%
Grindlays Bank 11%
Grindlays Bank 111%
Gri

## **BUSINESS LAW**

# Beware of EEC default judgments

By A. H. HERMANN, Legal Correspondent

A WARNING of a sharp bend ahead is something motorists come to expect from those responsible for highway safety, unfortunately, no such warning is given to husinessmen when the legal infrastructura them. legal infrastructure takes an unexpected turn.

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1. BATTE

Contrary to most businessmen's assumptions, the European Convention on jurisdiction and enforcement of judgments in civil and commercial matters (the EEC judgments convention) is by no means some sort of innocent "lawyers' law." It will bring about a vary produud change by ensuring "free movement" of judgments movement of judgments throughout the Community. It is likely to prove as important for the integration of the European Community as the "full faith and credit" rule was for the integration of the United States. Embedded in the Constitution, it obliged U.S. courts to respect and enforce the jodgments handed down by any other court throughout the

1968, has been in force between the six original members of the become part of UK law next year, but no tima must be lost to prepare for its impact now.

To avoid undestrable jurisdic-

tions, contracts should include not only choice of applicable law but also choice of the court before which dispute should be hrought. Specific provisions should be agreed for addressing and delivery of notices and warnings of any legal action contemplated by one of the par-

The European Court has been trying for years to translate the somewhat academic exercise of the EEC Judgments Convention into a language understandable to judges and taking greater account of the realities of husiness. Two recent judgments illustrate that it can do much hut not enough to hring the convention down to earth.

In Debaecker and Bouwmen, (Case 49/84) the Court held, on 11 June 1985, that when enforcing a foreign default judgment, the national indge should look beyond the purely formal satis-faction of the requirements of service in the country where in its own proceedings the Eurothe judgment was given, hut peen Court shared the conticonsider also any exceptional nental tendency to regard delicircumstances which might very to the official address of
have prevented the defendant the defendant as sufficient,
from learning that a legal whether or not the defendant is action had been initiated, but the judga should also take into account any responsibility which the defendant might have for not receiving this informa-

-for example, at an address where the defendant is not present or by delivering the document to an authority appointed for this purpose by the statute. It dos not matter to them the rocatual delivers of them that no actual delivery of ha document has taken place. It is deemed to have taken

In the Netherlands, example, the documents for deemed to be delivered if they have been transmitted to a court official or to the Dutch Ministry of Foreign Affairs. From that moment on the time given to the defendant for arranging his defence runs—though he may not know about it. Indeed, the first thing he may learn is when a court in his country, or in another EEC country where he has assets, is asked to enforce the default indigment.

The wording of Article 27/2 of the EEC Judgements Conor the ELC Judgements con-vention is ambignous: it pro-vides that the court asked to enforce a foreign indgement need not do it "if the defen-dant was not duly served with the document which instituted the occument which insultated the proceedings in sufficient time to enable him to arrange for his defence." What is "duly served"? Only three years ago the European Court still held "that it does not require proof that the document." that the document ... was actu-ally brought to the knowledge of the defendant." But the Court softened this ruling by saying that the enforcing court "may, exceptionally, consider whether a formal service was fair if it did not require actual communication to the defendant."

This approach to the default judgments is particularly dangerous in the case of actions initiated in the Netharlands because that country made use of the possibility to modify Article 20 of the Convention so that Dutch trial courts may give judgment in absence of a certificate of service.

In an excellent surveyt the European Court's and of national judgements, Neville March Hunnings concluded that in occupation or actually re-ceives the document. It was, however, cautiously amhivalent-when interpreting Article 27/2

angels. While previously it would only allow the enforcing judge exceptionally to consider a possible unfairness on the a possible unfairness on the formal service, it now requires the judge to consider exceptional circumstances which arise after the "regular service" has been effected—in the case, the plaintiff learned but made no use of the new address of the defendant after a formal but in-

A failure to defend an action in foreign court may also eli-minate the possibility of off-setting any counter-claim which the defendant may have and which the trial court may be competent to decide, either under the general rule of the Convention or under one of the exceptional provisions. Though the convention provides for such exceptional jurisdiction of a claim which should normally be tried elsewhere in connec-tion with the enforcement of a judgment, the European Court has now sadly restricted and possibly altogether ruled out this provision in its judgment in AS-Autoteila v Pierre Mohle Case 220/84 of July 4 1985.

The facts of the case are as follows: AS-Autoteile, a Ger-man company, was buying roconditioned spare parts from P.A.T., enother German company. Some of the parts were defective and AS-Autotelle ob-tained from the Begional Coort in Bonn a default judgment against P.A.T. for DM 1m.

In the meantime, P.A.T. became insolvent. AS-Autoteile asserts that the insolvency was due to an illegal transfer of assets to one of the partners, Pierre Malhe, resident in France. AS-Autotelle pursued its claim against Malhe to the extent of his undue enrichment by the assets of P.A.T., the original debtor, and obtained a judgment against him from the regional court in Baden-Baden on the 17 November, 1981. This, however, was reversed by the Appeal Court in Karlsrahe on October 15, 1982, on the ground that in view of Article 2 of the Judgment's Convention, German courts lacked jurisdiction.

So far the case presented no special problems, Complications

against AS-Antotelle in the defendant to arrange for his defence. Hunnings shows how his amhivalence enables several continental courts to persevere in rigid formalism.

In Dabaeker and Bouwmen, decided since Hunnings wrote his article, the Court seems to bava come on the side of the angels. While previously it -the claim for the adjudication of which the Appeal Court of Karlsruhe bas earlier declared German Courts to be incompe-tent. The regional court in Baden Baden dismissed the

opposition proceedings for lack of jurisdiction and the case

went hy leapfrog appeal to the Supreme Court (BGH). BGH referred the issue to the European Court asking whether, under the Judgments Convention, national courts are competent to decide an action, opposing execution of a domestic judgment, based on a counterclaim which, if it was the object of a separate action. they would not he competent to decide.

The general rule of the EEC Judgments Convention is that actions should be brought in the Court of the signatory state where the defendant is resident. Article 16, however, provides a number of exceptions from this result will one of which is general rule, one of which is for the court of the place where for the court of the place where a judgment is being enforced, if the claim has a special rela-tion to another signatory state than that in which the defendant resides.

The European Court would not have it. It said, rightly, that the opposition proceedings against the enforcement of an order for costs had been used for an ulterior purpose, namely, to make German courts decide an issue for which they did not have jurisdiction according to Article 2 of the Coovention; it was an abuse of the process.

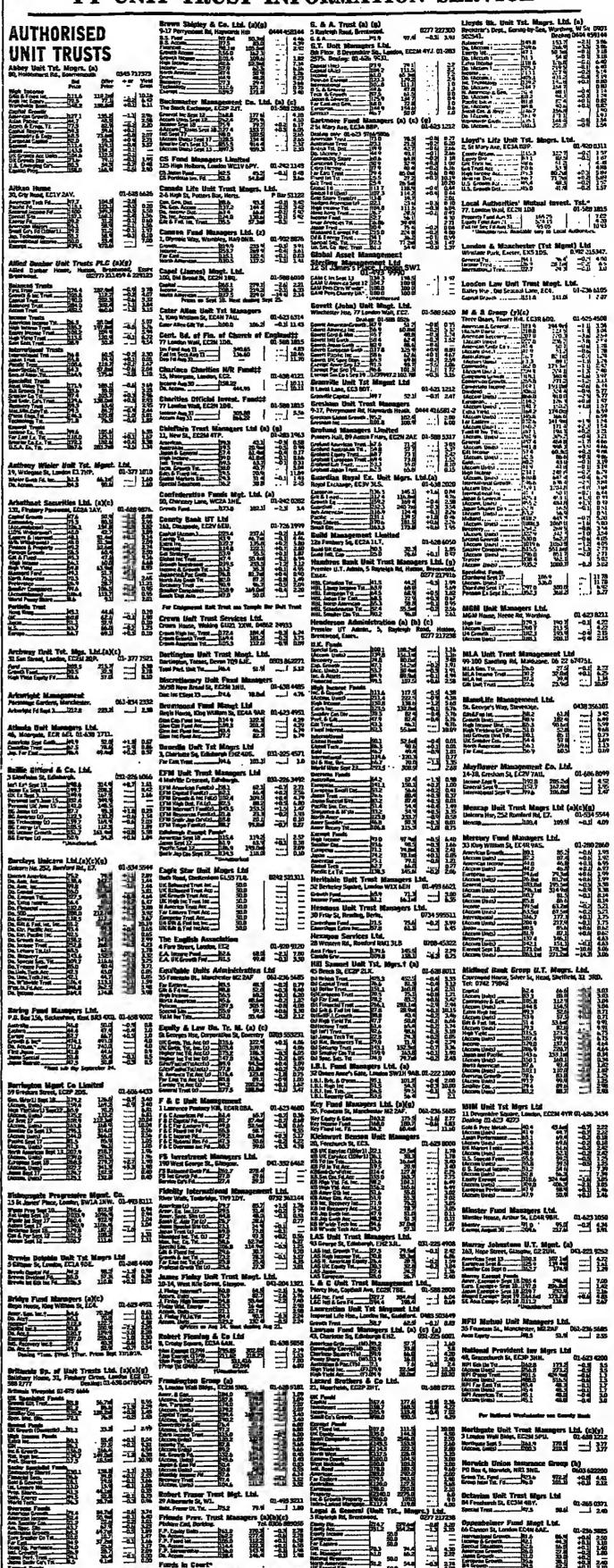
Howevar, from this correct finding the European Court regrettably drew a hroad ruling which excludes the epplication of the exceptional jurisdiction in proceedings hy which indgment debtor opposes the

As a result, though jodg-ments can cross the frontiers claims and counter-claims can-not, certainly not at the enforcement stage, which may be the first in which tha defendant learns of the exist-ence of a foreign default judg-

\* Kloreps v M. (1982) CMLR 773. Michel, Case 166/80 when interpreting Article 27/2 arose from an order for costs (1982) CMLR 773.

of the Convention with emphs obtained by Malhe earlier (1985) — of Business Lew, 303.

## FT UNIT TRUST INFORMATION SERVICE



#### FINANCIAL TIMES **KENT SURVEY**

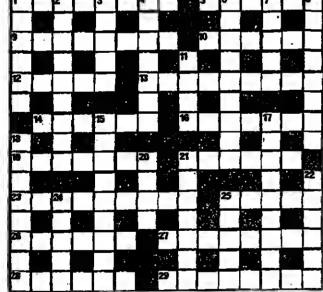
MONDAY SEPTEMBER 23 1985 ANDREW WOOD For further details contact:

01-248 5116

Telex: 885033

**Financial Times COLCHESTER SURVEY** TUESDAY SEPTEMBER 24, 1985

For further details contact: COLIN DAVIES 01-248 80**6**0 Ext **324**0 Telex 885033



ACROSS 1 Tom raced away as a politician (8)
5 "Sallor's World" digest (6)
9 Pot or tin basin broken (6)
10 Rules for the second help-

23 Short piece of music, 24 Books about English rodents patently? (9)
26 Dread, perhaps of venomous snake (5)
26 Time to acknowledge the

candle-maker (6)
27 Fibre needed to resist current charge? (6)
28 When reign's unsatisfactory, abdicate! (6) 29 Kept-under sort of state (6)

Solution to Puzzle No 5,824

APPOINTMENTS

# New chairman for Tenneco Europe

Mr Baymond H. Marks will be particularly active with indepencome chairman of TENNECO EUROPE on October 1, npon the retirement of chairman Mr Ralph W. Cousins. He has served as executive vice-president and president of Tenneco plastics division, senior vice-president and president of Tenneco Chemicals, and senior vice-president of Tenneco Inc. Mr Marks also serves acco Inc. Mr Marks also serves as a director of Albright and Wilson, a Tenneco division head-quartered in London. Tenneco Europe, a corporate office in London, provides a number of services to Tenneco subsidiaries operating in 12 countries throughout Europe.

Mr George Humphries has been appointed managing direc-tor of the plantles division of the ARTHUR LEE GROUP. He was managing director of Elliott Moulders (Electronics) of

Mr G. A. Wenman has been appointed a director of ALWEN HOUGH JOHNSON.

a consultant and chairman/ director of public and private companies in the UK and North

Mr Phil Waggett has been appointed managing director of NORBAIN IMAGING, the specialist distributor of Norbain Electronics Group. He was husiness development group manager. of Texas Instruments.

\* Mr Charlie Barrass has been appointed a full board member of BIS SOFTWARE. The appointment is in addition to his position as manager for the company the semiconductors division of Texas Instruments.

Dr Norman A. White has haso Mr. P. H. Fallon has been appointed to the hoard of appointed a director of PETRANOL as a non-executiva ASSOCIATED NEWSPAPERS director. Since 1972 he has been HOLDINGS.

CONTRACTS

## £3.5m Shepherds Bush dairy plant order

Unigate Dairies has signed a Another NEI company, NEI £3.5m contract with ALFA-LAVAL for the supply of all processing equipment to a new dairy et Wood Lane, Shepherds Bush, London, which it is bekieved will be the first dairy in the UK to be dedicated exclusively to the production of milk in non-returnable companiers. The order comprises pasteurisers, homogenisers, reception and storage tanks, valves and pipework for the processing of a variety of different milks and creams. It also covers associated service equipment such as refrigeration, steam generation, air compression, electricity and water treatment, and is equipped for cleaning-in-plece—throughout. The development comprises demolition of the existing dairy and construction of a \$0,000 sq ft processing and a 20,000 sq ft processing and a 20,000 sq ft streatment and a 20,000 sq ft processing and packaging building and a 20,000 sq ft processing and packaging building and a 20,000 sq ft processing and packaging building and a 20,000 sq ft processing and packaging building and a 20,000 sq ft processing and packaging the processing and packa different milks and creams. It also covers associated service equipment such as retrigeration, steam generation, air compression, electricity and water treatment, and is equipped for cleaning-in-plece—throughout. The development comprises demolition of the existing dairy and construction of a 60,000 sq ft processing and packaging building and a 20,000 sq ft distribution depot with ancillary offices.

NEI NUCLEAR SYSTEMS, of Gateshead, has won a £3.1m contract to replace the pulverised fuel pipework on two boilers at Blyth power station in Northumberland. The order includes the dismantling of the existing pipework and the manufacture, erection and commissioning of the new pipework. Work has already started and is expected to take until mid-1987.

HOLDEN AND BROOKE, Man-HOLDEN AND BROOKE, Manchester, has won an order to supply 228 pumps for installation in the Islamic Conference Centre now being built in Kuwalt. The order, worth over £80,000, was placed by the National Company for Mechanical and Effectrical Works. Negotiation was bandled by Holden and Brooke's agent in Kuwait, Kazema Engineering Projects. The majority of the pumps are for chilled water circulation together with dual pump sets for low pressure but water.

烧깃

F.T. CROSSWORD PUZZLE No. 5,825

6 Sad peach growing in Kentucky (4, 5), 7 Fresh towel for the small hooter (5) 6 This is for an aggressive darts exponent, upset before uarts exponent, upset before play (6)

12 Nobody's daily account (5)

13 Operating change of a butterfly (6-3)

14 Settled market for textila (9)

17 The French take off clother

butterfly (6-3)

14 Settled market for textila fibre (6)

16 A light boat but it will carry everybody in business premises (7)

19 Hanging makes one gasp for breath and die inside (7)

21 Field-sport debate not finished (6)

23 Short piece of music, patently? (9)

example, sung in church? (9)

The French take off clothes for the washer (9)

Sunday newspaper producer is quick off the mark (6)

20 Branch to grasp (4)

21 The kind of stupidity often attached to relative? (7)

22 Books at lightweight? (6)

23 Books about English rodents (5)

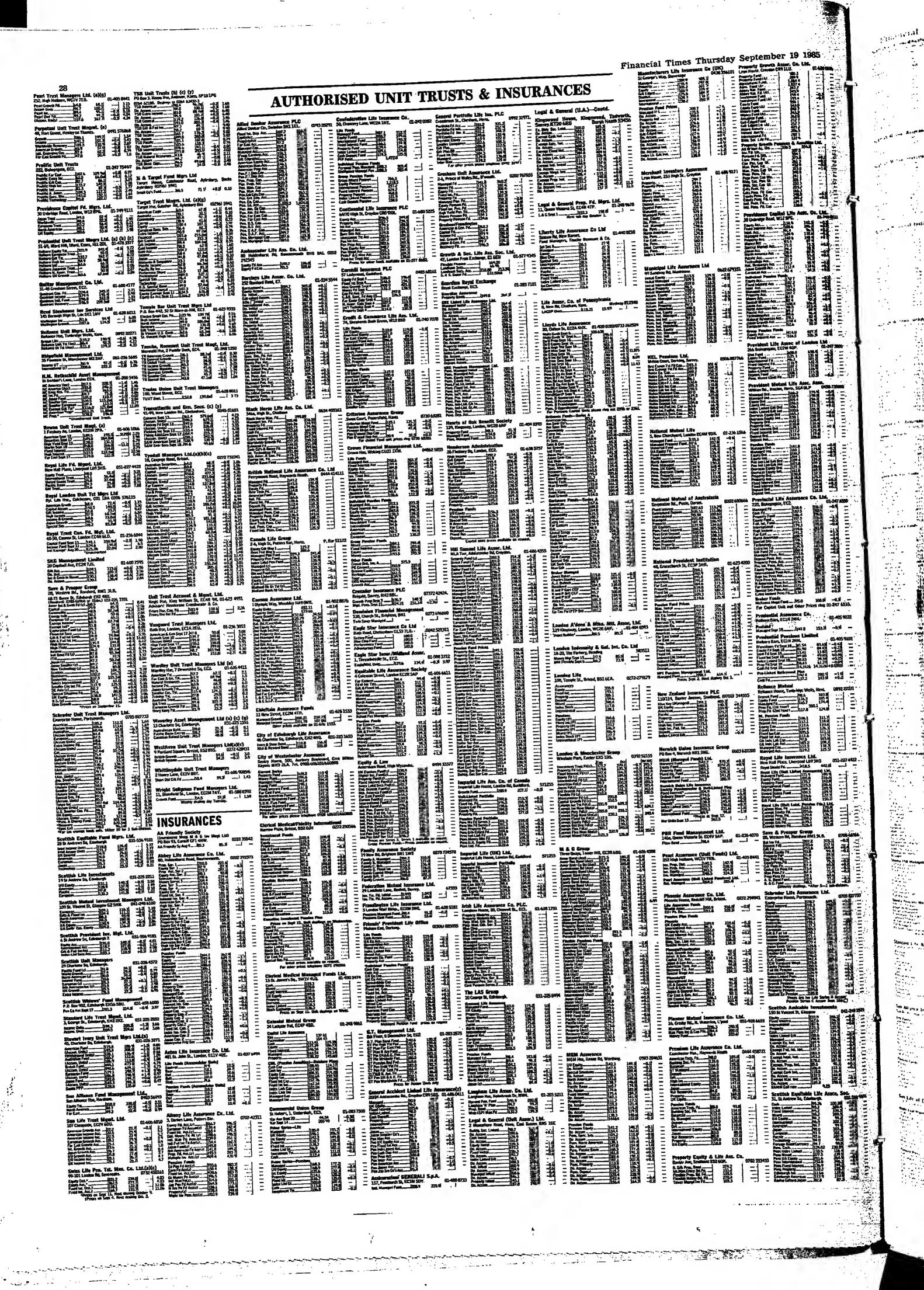
DOWN

1 Wasted away, say, in the nineties? (6)

2 Cocktail for fellow with bowler, brownish? (9)

3 Suspicious of tea on railway (5) 4 These days, I sit for artist, getting faity (7)





ORANGE JUICE 75,000 to. cents/fb

PLATINUM 50 tray oz. S/tray az

Close 134:00 125:45 125:70 125:50 124:90

SILVER 5,000 troy oz.

CHICAGO

LIVE CATTLE 40,000 Ph.

# Tin producing countries to press for boost in support funds

BY EMILIA TAGAZA IN CANBERRA AND STEFAN WAGSTYL

ANNUAL ministerial meeting of the Association of Tin Producing Countries (ATPC) bas agreed to press member governments for a "significant and effective" cash contribution to the International Tin Council, which operates the tin market's price support system.

At the end of a two-day conference in Canberro, ministers

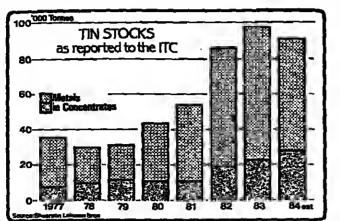
said that extra cash contri-butions would be seen as con-crete proof of government commitment to the mainten-ance of a otable tin market. Mr John Dawkins, Australia's frade Minister, who chaired the meeting, axid that no decision had been made on the extent of any contribution

Members of the International Tin Council, which represents consumers as well ao producers, put just over £t40m into the buffer stock manager's reserves in 1982, and three major pro-ducers, Maloysia, Indonesia and Australia, topped this up with onother £25m contribution last

The demands for a further contribution are likely to be considered at an ITC meeting in London next week.

The ATPC ministers believe Brazil-that more cash is needed to Trad help the buffer stock manager were maintain tin prices at the levels agreed under the current

Traders in London yesterday were sceptical whether extra funds would improve the hufagreed under the current fer stock manager's position sixth International Tin Agree- One said: "If they're simply



ment (ITA), in the face of rising world tin stocks, Self-imposed export quotos on ITC producer members bave failed to remedy the problem because production by particularly

putting more money in to keep the price of tin where it is then horse. they're flogging a dead

In other moves to belp sup-port tin prices, ministers at the Canberra meeting agreed to

approach major non-ATPC mem-Canada and Britain-to try to secure production limits. They also plan to increase their efforts to stop tin smuggling out of ATPC states.

The ministers plan to press the U.S. to reduce sales the strategic stockpile held by its Ceneral Services Administration (CSA). Under an agree-ment between the U.S. and the Association of South East Asian Nations (ASEAN) CSA disposals are not meant to exceed 3,000 tonnes a year. The confer-ence heard that for the first eight months of 1985 they had beeo running at a rate of 3,900

tonnes a year.

Looking forward to negotiations for o setenth ITA, which is planned to succeed the current agreement expiring in June 1987, the meeting agreed that buffer stocks ond export controls would be essential. These negotiations are due to start in Ceoeva next March.

Reviewing tin ronsumption, the ATPC agreed to increase the budget allocation for research and development of new uses of tin. which to carried

uses of tin. which to carried out by the London-based Inter-national Tin Research Institute.

#### LONDON MARKETS

THIS WEEK'S rally in FINANCIAL TIMES London coffee futures prices was maintained in the morn-ing but early gains were trimmed back severely during Sep. 17 Sep. 10 M th ogo Yearago 255.46 254.54 251.70 280.05 (Basa: July 1 1952 = 100) trimmed back severely during the afternoon. The November position climbed to £1.740 a tonne at one stage with the help of sterling's easiness. But by the close it had come back to £1.712.50 a tonne for REUTERS Sep. 16 Sep. 17 M th ago Year ago 1726.6 1724.0 1098.9 1858.6 (Base: September 10 1931 - 100)

INDICES

**DOW JONES** 

Dow Sept. Sept. Month Year Jones 17 16 ago ago

Spot 111.80 112.19 - .125.31 Fut. :114.17,114,10 - /125.18 (Base: Oscember 31 1974 - 100)

MAIN PRICE CHANGES

Sept 12 + or Month

£1000 —0 £1004.3 £1053.75 =2.5 £1052.2 .5315 —5 .5356.26 .£237.3 .....£933 .£304.75 +2 £301.33

a net gain on the day of £11.50. Dealers attributed the sell-off to profit taking and technical "chart gap filling" compled with an easier tone in the Man. Vach in the New York market, which bad been giving the lead to the rise. The market had been waiting for the

consumers' response Tnesday's producer prope at the International Coffee Organisation meeting London for a substantial cut in gtobal export quotas for the coming year. But so far the producers have only called for a "front loading" of quotas into the early part of the year without suggesting a

#### BASE METALS **ALUMINIUM**

global figure.

	Close p.n £ per	- (	Highilow
Creh 5 months	732-3 755-6	+2 +1.76	782/731 760/751
(7285). S	slowing ( three month ment 731.5 erb close:	hs 753.5.	nh 731-0 4.5 (748.5-

#### COPPER

Higher grad	le unoffic" for Highlow
Cash 3 months	1013 5-9 5 - 2 1013 1012 5 1013 5-4 - 2.5 1040 1035
Official 8 (1010.5-7). (1060-1). s	losing (am): Cash 1012.5- three months 1036.5- externent 1013 (1017). b close: 1036.5-7.
Cathodea	

Cash 993.5 3.0 -1.0 996.992 3 months 10176 -1.5 Official closing (am): Cash 998-8 (997-0), three months 1021-3 (1022-4), settlement 999 (959). Turnover: 31375 tonnes, U.S. Produser prices 85,5-89 cenus per pound.

T bet toule	
297-8 - 296.5 295.5 othe 504.5-5 +2 985.503	Futures traded in a confined ond closed on a steady note. E higher, Manufecturer participation
icial closing (em): Cash 298.5 .5), three months 303-4 (303.5- settlement 296.5 (297.5). tal Kerb close: 304-5. Turnover;	evident, Put origins were quiet, named sommission house buying noticeable, reports Gill and Out
tonnes. U.S. Spot 19.5-20 cents	COCOA Close + or Bus
CKEL	E per tonne

Unofficial + or High/low 2 per tonge	July 1846-1852 +10,0 184
Cash 3340-5 1+25 5340/5540 3 months 3395-405 1+19 6425/5381	0 c 1855-1857 +15.0 185
Official closing (em); Cash 3335-7 (3320-5), three months 3398-400 (3383- 5), settlement 3337 (3325). Final Kerb close: 3390-95. Tumoven 950 tones.	per pound). Oally price for Ser

High grade Unofficial : + or :High/lov close(p.m.); — : for day : £ per tonas ! Cash \$163.5 —15.53165.8166 0 months 13116-80 —8,5 —

Official closing (am): Cosh 9160-(9180-5), three months 9110-3 (9115 å), settlement 2162 (9185). Official slowing (cm): Cash 0158-60 (9165-70), three months 9110-1 (9111-2), settlement 9160 (9170). Final Kerb close: 9116-17. Turnover: 945 tonnes. Streits tin MS30.05

## ZINC

High orad	close ip.n	n.) —	High/low	GR
Cash 3 months	013 4 580-1	-2.3 : -1.3	525/522 008:032	press to ci
Official (S10.7), t	closing ( hree mont 522.3 (6)	(sm): Ca hn 526-7	eh \$525 (533.5-4),	egair eupp
final Ke	orb close:	525-25.5.	Turnover: eetern: 41-	WHE

## GOLD

GOLO SULLION (fine ounce) Sept 13

liose 631434-31014 Spening \$31378-310 A'ni'g fix. \$315,50 Myn'n 1ix 8318,25	(£2344, 23514 (£237, 2361 <sub>4)</sub> (£230,325) (£236,184)
GOLD AND PLATIN	UM COINS
Clot clad \$3103x 0901x	4523210 94Da

BILVER

Silver was fixed 5.75p an ounce lower for apot delivery in the London buillon market yesterday at 441p. U.S. cent equivalents of the fixing levels were: apot 588.6c, down 12.3c; six-month 600.4c, dewn 12.3c; six-month 611.6c, down 14.25c; and 12-month 638c, down 14.45c. The metal opened at 441-444p (587-590c) and closed et 440-443p (581-594c).

BILVER Builion or L.M.E. or or p.m. p.m. Price unoffic'i apot ...... 441.00p -5.75 4410 -2.75 3 months, \$53.85p -5.35 453.5p -2.75 6 months, \$64.20p -7.85 12 months, \$87.90p -7.12 - -

RUBBER

PHYS(CALS—London closing prices (buyors) for R6B No 1: spot 01.00p | same): October \$8.75p (same): November 58.75p (same). Kuela Lumpur fob price (Malaysia/Ongapore cons) per kg RSS No 1 183.0 (182.0) SMR 20 149.5 (148.0).

## U.S. MARKETS

PRECIOUS metols remained under pressure as local selling led to continued liquidation by speculative interests, reports Heinold Commodities, Copper and aluminium sold off sharply on the lack of fresh cash demand and fears that the U.S. economy might not recover as much as had been previously expected. Sugar rebounded from early losses as light trade buying emerged, touching off shortemerged, touching off shortcovering. Cocoa weakened on
evidence of producer selling
over the market and the lack
of fresh indications that pod
rot had penetrated further
into new crop prospects.
Expectations that consuming
members of the ICO would
not accept a cut in the export
quota led to a weak tone in
coffee. Cotton was steady on quota ieu to a weak tobe in coffee. Cotton was steady ou the lack of cash activity ahead of the harvest. The energy comptex remained steady to

complex remained steam; to firm, reflecting continuing concern over the low level of distillate stock as the peak usage period approaches. The grain complex came under measure on commercial sell-ing. Soyobeaus declined on a

ptck-up in harvest activity and in anticipation that casb

# movement will also increase in the weeks ahead.



CRUCE OIL (LIGHT) 42,000 U.S. gallons, S/ba

GOLD 100 troy oz, \$/tray oz

348.0 347.0

f Unquoted. z Sept. Oct. y Oct. s Oct. Nov. † Per 76-lb flack. s Cents a pound.

#### COCOA

Commission house buying during a larry active morning creeted gains of £23-24, reports Oteael Burnham Lambert. Resielence, eround £1,740 basic November, enforced a gradual ratreat.  COFFEE Yesterdy's + or Business Cose — Done	:	COFF			
COFFEE Yesterdy's + or Business Done		lairly acth £23:24, re bett. Res	re motning parts Quexi ielence, en	Creete el Burr ound Et	d geins of them Lem- 1,740 basic
		COFFEE	Yesterdy's Close	+ or	Business Done

lots of 5 tonnes. Sales: lots of 5 tonnes. 400 indicator prices (U.S. tents per pound) for Sapt 17: Comp. delly 1979 110.50 (117.85); 15-day averege 118.74 (118.86).

## RAINS

theat drifted lower on selling issue after the recent contract higher class 60p lower with good buying port seen at lower lovels. Bartey in remained quiet in thin trading.

Business dons—Wheat: Sept 104.20-4.90, Nov 106.00-4.95, Jan 108.40-7.95, March 111.40-1.00, May 114.35-4.10, July 110.25-5.10. 5stes: 424 lots of 100 tonnes. 3ortey: Sept 103.50-3.30, Nov 104.90-4.75, Jan 108.20-8.05, March 111.20-1.10, May 114.10-4.00. Sstes: 65 lots of 100 zennen.

LONDON GRAINS—Wheat: U.3. derk northern spring no 1 10 per cent Oct 130.75, Nov 132.25, Oct 133.55 transhipment east coset. U.S. no 2 soft red wints: Oct 112.75, Nov 113.75, Oct 135.05, Nov 132.25, Nov 113.75, Oct 135.00, 112, per cent proton, Snpt/Oct 114 guoted. English leed fob Sept 114.50, 112, per cent proton, Snpt/Oct 114 guoted. English leed fob Sept 105.75/106 sellars. Oct 108.50 bid. Nov 106 volus. Nov/Dec 108.75 bid. Oct/Oct 107.50/108.50 buyer/seller, Oct 108.50 value, Jan/Mar 113 seller, Maize: U.e. no 3 yellow/French transhipment east coses Oct 1-10 131. Nov/Oct 133. Berley: English feed lob Oct 105 pald Psterhead, Sept 102/102.50. Oct 105/106 bid. Rest unquoted.

HGCA—Locations! extern spet HGCA Locational ex-farm epol prices. Feed barley: Eastern 98.90, E Mids 97.90, N East 98.90, Sactiand 97.90. The UK monetary coefficient look the week beginning Monday September 23 (based on HGCA calculations using the december of the week beginning Monday September 1998).

## MEAT

PIGMEAT—In ective trading near positions moved higher but lailed to hold goine and closed mixed, reports CCST Commodities.

ive daye' exchange rates) le expect

113,60 116,80 103,80 .... 103,80 .... 103,60 116.89 115.8 115.9 117.30 111.6 118.0 103.40 114.0 106.0 104.0 106.0 103.20 102.9 102.5 101.90 PARIS—(FFr per tonne): Des 1520/ 1521, Mer 1545/1546, May 1567/1588, Aug 1630/1635, Oct 1680/1690, Dec 1720/1740.

This market opened 30p lower, basis April, and nervously tell o lurther 90p. The stremoon remeined quiet with sellers reserved below the 80.00 level. Towards the slose short-covering eparked possibly by the foilure to penetrate support levels, led to e recovery in this conditions, reports Coley and Margar. Yesterday's, Previoue Business close close Done # per tanne

Nov..... 02.30 : 52.80 | 52.50-51.88 | Feb.... 65.50 | 64.30 | Apr.... 80.60 | 60.30 | 84.88-74.68 | May.... 20.50 | 87.00 | 88.80 Sales: 289 (493) loss of 40 tonnes.

Seles: 379 (302) lots of 20 tannes

# SUGAR

LORDON nally PRICE—Row siggs \$133 50 £100.00), down \$3.00 (down £2.00) a tonne for Sept-Oct delivery. White neger \$172.50, down £6.00.
Long liquidation in the prompt October position in New York put the market on to the delensive, but prices tailled towards the Close, reports C. Crasnikow.

Sales: 3.546 (2.458) lots of 50 tonnes.
Tate and tyle delivery price for granulated basis sugar was £204.00 (£206.00) is tonne for export.
International Sugar Agreement—(II.S. conts per pound fob and stowed Caribbean parts). Prices for September 17: 0etty pace 5.31 (5.40); 15-day average 5.06 (5.01).

SPOT PRICES — Chicago loose lard 15.50 (16.00) cents per pound. New York th 562.0-88.0 (567.0-68.0) cents per pound. Hendy end Harman silver builion 588.0 (596.0) cents per troy

Triding in stude oil was particularly thin flymax opened 2c down for October and traded 6c down et 1 pm EUT. In the petroleum products merikal there was little change in this trade. Gas all firmed slightly, while rephthe and heavy tuel were marginally down—Patroleum Argus, London.

SPOT PRICES CRUDE OIL-FOR (\$ per barrell-Oot. Arab Light 27.25 ST.85 Arab Heavy 26.25 St.85 Dubai

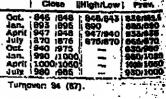
PRODUCTS—North West Europe Prompt delivery of | 6 per tonne Premium gasoline | 267-268 Gas Oil | 259-253 | Heavy fuel oil | 107-140 | 149-251 |

GAS OIL FUTURES

Turnover: 1,761 (1,819) lots of 100

FREIGHT FUTURES

Close ||High/Low |



# Venezuela to open iron mine

BY JO MANN IN CARACAS

PRESIDENT JAIME Lusinchi ore mix in order to remain vate the iron ore briquette plant competitive in the world market. It acquired from U.S. Steel it acquired from U.S. Steel it acquired from U.S. Steel after the nationalisation. This when the Covernment nationalised the Venezuelan iron ore industry in recent years.

The Cerro San Isidro mine, owned by the state iron mining company Ferrominera Orinoco, forecast to produce 2m tonnes of high-grade ore this year, and 4m tonnes a year thereafter,

The mine, 400 miles south east of Caracas in the Guayana industrial region, contains proven reserves of 395m tonnes of low-phosphate ore, better in quality than the output of Ferrominera's two other mines at Cerro Bolivar and El Pao.

The development forms part of the company's strategy of

BY ANDREW GOWERS

The Parliament's environ-ment and consumer protection

Community.
At issue for manufacturers,

today.

when the Covernment nationalised the Venezuelan iron ore operations of U.S. Steel and Bethlehem Steel. Last year Ferrominera produced 12.8m tonnes of ore, up sharply from 9.8m in 1983. It sold 12.4m tonnes in 1984 (16.5m in 1983). With over 63 per cent of sales going to export markets Vene. going to export markets. Venezuela's most important iron ore

Europe. Ferrominera reported a 1984 profit of over \$17m on sales revenues of \$124.7m, the best results registered in recent

years.
The company is also working increasing the quality of its iron on a \$100m-plus plan to reacti- process.

Fears over EEC chocolate plan

A feasibility study is being carried out to see if the plant can be reactivated. The company is prepared to spend up to \$80m on this. It is also interested in building a \$26m mobile ore trans-sbipment station that would be anchored at the mouth of the Orinoco River and used with carriers of up to 170,000 purchasers are in the U.S. and

U.S. Steel's original idea was to produce highly concentrated iron ore in the form of bri-quettes in order to raise effi-ciency in the steelmaking

Mr Pavitt looks forward to improved operating results in 1985-86, after a year in which pre-tex profits fell from

• THE PHILIPPINES Sugar Corporation has set a production target for 1985-86 (September-August) of 1.6m tonnes compared with actual output in 1984-85 of 1.7m tonnes, writes The UK industry disputes the producers' figures. "There is

> THE EEC Commission authorised the export of 53,250 tonnes of white augar with a maximum subsidy of 39.997 Euronean currency units at its weekly tender in Brussels yester-

## Rising demand for platinum is forecast

By Stefan Wagstyl

WORLD INDUSTRIAL demand for platinum should continue to grow in 1985-86 after a 20 per cent increase in the year to June 1985, according to Impala Platinum Holdings, part of the South African Gencor group and one of the world's largest producers of the metal.

Mr Ted Pavitt, Impala's chairman, says in his annual statement that the potential for platinum in the European automobile industry has been enhanced by EEC agreements on exhaust emission controls.

In Japan, where consumption rose by 42 per cent in the year to June, a slowing down in con-sumption is expected once inrentories have been rebuilt, Growth in demand in the U.S. is also expected to fall off in the face of falling consumption in the electronics industry and a levelling off in output in the automobile industry.

R268.7m to R234.2m (£83m).

Samuel Senoren in Manila. Reduced production bas caused the corporation to order the closure of six sugar mills. Two others hove suspended operations. Production in the coming year will be regulated by a quota system. details of which ore still being finalised.

## A PERIOD of frantic lobbying their old standards for a transi-by European chocolate manu-facturers and cocoa-producing the end of which the Commis-many and France—all of which countries in Africa over pro- sion would come up with a re- use a higher proportion of posed new EEC-wide standards vised proposal for common cocoa in their products—are for the product faces its first Community specifications. test in the European Parliament

called for a broadening of the definition of ordinary milk chocolate throughout the Comcommittee is due to vote on a plan drawn up by the European munity to include products which contain vegetable fats to Commission to extend the speci-fications currently applied to chocolate in the UK, Denmark and Belgium to the rest of the up to 5 per cent of their weight, with only 20 per cent cocoa content. This is the standard currently applied in the UK, Ireland and Denmark. Products

in porticular those in Britaio, is the freeing of trade in choco-late throughout the EEC. But because the Commission pro-posal would involve increased leading cocoa producers bave been waging an increasiogly vociferous campaign against the change, alded to some extent by the Commission's development use of substitutes for cocoa butter in chocolate, countries like the Ivory Coast fear tosing a subgstantial chunk of their market for cocoo in Europe.

The harmonisation of cocodirectorate, which is believed to have been furtous or not

late standards hos been a bone of contention in the EEC for more than 10 years as a result of differing tastea between member atotes.
When they joined the Community in 1973. Britain, Denmark and Ireland—where chocolate has rended to be milder from the European market, and milkier than on the Conti-which currently totals about currently totals about

# The Commission's eventual about the proposal. draft plan, published last year.

on sale on the Cutinent traditionally are between 25 and 30 per cent made up of cocoo.

The Ivory Coast and other

being consulted before the change was proposed.

According to statistics presented to a meeting of the International Cocoa Organisation in July, the producers fear

it could dioptace an additional 28,850 tonnes of cocoa butter

#### no doubt that if the EEC directive is passed it will have an impact on cocoa consumption," says one manufacturer. "But we reckon it will only lose the producers between 10,000 and 15,000 tonnes, which is a small proportion of the total,"

facturers also point to the potential beoefits to countries

which produce shea nuts, the moin source of the vegetable fots used in their chocolate. The principal suppliers of these are Mali and Burkina Fasso (formerly Upper Voita), two of the poorest nations in Africa-

the rest of Europe stemming pleted the suspension will have from the EEC plan, although no effect for ten days, accordthe monufacturers themselves ing to Abrassucos, the manu-are playing this element down. facturers' association.

# The British chocolate manu-

which, it is reckoned could see a doubling of their export earnings from the product as a result of the EEC directive.

Mouths are also watering in the Beltich traductors have the could see a day.

BRAZIL bas again suspended export registrations for conceourated orange juice in an effort to put pressure on manufacturers to settle their dispute the British industry about the with growers over the price potential for increased sales in With September exports com-

# were altowed to apply 300,000 tonnes a year. Indonesia unrepentant on coffee exports

BY KIERAN COOKE IN JAKARTA

AS COFFEE producers and consumers haggle in London this week over export quotas for the next coffee year, many of them are keeping a close eye on Indonesia, the so-called bad boy of the coffee world. Over the last few years, Jakarta bas become the target for a welter of complaints from other producers for its alleged abuses of the International Coffee Agreement (ICA). By selling large amounts of its coffee at discount prices to

countries which do not belong

to the International Coffee Organisation (ICO), they say,

ness of the agreement's price disciplines. The ICO has threatened to impose penalties on countries which continue to flout the rules; in April, members resolved that sales to nonmembers should only be made at the same price as those within the Organisation, But Indonesia says that while it will confinue to try to support existing agreements, it will not

be bullied into submission. Mr Dharyono Kertosestro, the Chairman of the Associa-tion of Indonesian Coffee Exporters made the Indonesian position clear this week, just before he left Jakarta to do battle in London. He said that what had to be resolved was the whole question of the balance of quota allocation.

whole world coffee situation gest non-oil and gas export in Indonesia are not so contained also," he said.

Indonesia is now the world's fourth largest coffee producer sastro, as Indonesia is facing a and financial reasons. Brazil fourth largest coffee producer with 360,000 tonnes produced

oerious decline in revenuea in 1984, according to ICO from its oil exports.
statistics. Yet its present ICO "We bave a moral responsiquota is only 2.5m bags (60 kilos bility both to the nation and to INDONESIAN COFFEE EXPORTS Quota Non-quota

(tonnes) 86.168 126,184 94.076 126.449 311.713

they have to sell abroad.

Mr Kertosastro said Indonesia built up its coffee professional following the bad

are now more than 10m people involved in the coffee business, including 2m farmers.

Coffee has become a crucial and with exports last year existing agreements as far as worth more than \$560m it has possible.

each), representing only 58 per the farmers to maintain our sien coffee is grown by small-holders, on ferms which are usually less than half a hectare. "We cannot suddenly say stop growing or uproot your bushes. frosts in Brazil in the mld 1970s and the subsequent coffee price boom. He estimales there It is the farmers livelihood, said Mr Kertosastro. He would advance of this week's meeting not say whether Indonesia had as part of their argument for

Source: Association of Indodesian Coffee Exporters There is also evidence to sugcent of the total available for export efforts," said Mr Kerto-export Meanwhile Brazil and the Ivory Coast, claims Mr Kertosastro, bove quotas which actually exceed the amount About 95 per cent of Indone-

> imposed but reiterated that the Others in the coffee business should we be penalised?"

ciliatory. They say that the whole ICO system is rigged by Brazil and the U.S. for political They say that the and mancial reasons. State, they say, is able to steomroller through its large quota allocation by using its dire economic circumstances as a lever on the

U.S., its principal lender. That Indonesia has been exporting large amounts of its coffee to non-ICO countries at reduced prices seems beyond question. In the six months to March 1985 it exported more than 69,000 tonnes to non-quota countries according to Indonesian Covernment statistics, a figure which, for the first time this year, exceeds quota country

gest that substantial amounts of this coffe then finds its way from such countries as the Philippines. Hong Kong and Singapore into the quota countries. This says the ICO, is driving down world prices. Some in Indonesia meanwhile accuse the other major producers, such as Brazil and Colombia, of driving down world prices artificially in advance of this week's meeting any intention of withdrawing ever tighter quota restrictions. from the ICO if penalties were "It is," said one Indonesian "It is," said one Indonesian trader, "on unfoir system imposed by the Latin American countries on us all because of their debt problems. Why

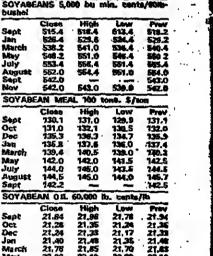


LME—Turnover: 68 (54) lots of 10,000 0z. Thice months high 455p, low 453.5p, linel kerb 451-3.

POTATOES



No. 6 Yest'day's Previous Con- . close close



OTHER C

MONE

FT LONE

MTERSA

# CURRENCIES, MONEY and CAPITAL MARKETS

#### FOREIGN EXCHANGES

#### FINANCIAL FUTURES

# Dollar moves in narrow range

market forecasts in the region of 9 per cent, while the fall in July was revised to 3.2 per cent from 2.4 per cent Apart from this, there were no other factors to influence trading.

The deliar rose to DM 2.9030
from DM 2.8920; FFr 8.86 from
FFr 8.81; SwFr 2.3880 from
SwFr 2.38; and Y242.10 from
Y241.65. On Bank of England
figures the dollar's index rose to
140.6 from 140.0. 140.6 from 140.0.
STERLING — Trading range against the dellar in 1985 is 1.4298 to 1.0525. August average

400

The dollar finlahed around the middle of the day's range, in rather thin foreign exchange trading, after slightly disappointing figures on U.S. housing starts. The reason for the dollar's recovery from a low of DM 2.8895, appeared to be the fature of selling pressure to develop after tha U.S. currency bad-breached the technical support level of DM 2.8950. Trading is in a narrow range at present, with dealers rejuctant to take positions shead of tomorrow's flash estimate third quarter U.S. gross national product annuancement and the revision to that second quarter GNP figure. A rise of 6.2 per cent in August housing starts compared with market forecasts in the region of

EMS EUROPEAN CURRENCY UNIT RATES

±1.5425 ±1.6421 ±1.1455 ±1.3654 ±1.5162 ±1.6673 ±4.0856 44.8320 8.12957 2.23940 8.86402 2.52208 6.724578 1520.90 +6.72 -6.44 -0.16 -6.71 -6.35 -0.81 -1.74 6.79027 2.50390 6.716088 7484.14 Changes are for Ecu, therefore west carrency. Adjustment cale

POUND SPOT-FORWARD AGAINST POUND

1.3275-1.3425 1.0675-1.0755 1.3772-1.3750 3.2470-3.2745 58.45-58.35 10.48-16.533 2.8865-2.9150

p.a. months
3.37 1.03.0.98 pm
2.71 1.03-0.93 pm
8.08 6-54 pm
2.83 52-39 pm
1.93 52-39 pm
1.93 5.62-0.33 pm
7.18 6-45 pm
12.14 415.1415ds
-0.92 20-120 dis
-0.92 20-120 dis
-0.92 3-3" dis
1.77 5-3" pm
4.51 70'-114 dis
5.07 2.96-3.35 pm
8.42 42'-334, pm

OTHER CURRENCIES

Note Rate 27,10-27,40 78,95-79 05 13,23-14,57

\* Selling rate.
Rend Finencial Rate: 2.5975-2.6665 (5) end 3.4770-3.5690 (£)

man interest rates remained very soft, falling as lew as 4.30 per ceet fer call meney, but the move was regarded as technical, and likely te changs when tax payments drain liquidity. The dollar closed towards the lower and of the day's range, and was quoted at DM 2.89675 compared with DM 2.8725 previously. Earlier in the day it was fixed at DM 2.9095 against DM 2.8734. Sterling rose to DM 3.8740 from DM 3.8670 et the fixing, despite fears about falling ell prices.

STERLING INDEX Sept 18 Previous 80.7 80.8 81.0 80.9 81.0 81.0 81.0 81.1 80.8 80.6 80.8 8.38 am ..... 80.8 80.8 80.8 80.9 80.9 81.1 11.00 am ..... 1.00 pm .... 2.60 pm .... 3.00 pm ....

£ IN NEW YORK

Sept. 18 | Prev. piose 9pet | 81,3145-1,2360,81,3885-1,3375 raonth | 6.59-0,36pm | 6.38-6.37 pm months | 1,04-1,00pm | 1,04-1,61 pra months | 2,70-9,60pm | 2,59-2,50 pra

DOLLAR SPOT-FORWARD AGAINST DOLLAR

13.470-13.780
13.275-12.785
13.255-3.255-3.255
15.85-3.255-3.255
10.48-15.532
18.48-16.482-16.482
18.482-16.482
18.482-16.482
18.482-16.482
18.482-16.482
18.482-16.482
18.482-18.50
19.482-18.50
19.482-18.50
19.482-18.50
19.482-18.50
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**CURRENCY MOVEMENTS CURRENCY RATES** 

Canadian dollar Austrian schille. Belgian franc-Danish Kronor-Deutsche mark. Swise franc-Guilder

1980-1982-100, Bank of England Index (base average 1875-100).

0.674766

**EXCHANGE CROSS RATES** 

Sept. 18 Pound Stiling U.S. Dollar | Deutschemk, Ppanese Yen FranchFra Duton Gulid Swiss Franc tallan Ura Co ada Dollar | Beiglan Fran Pound Steffier 0.749 4.355 2697 1944 22.43 1000, 8,830 0,345 4,130 2091 11 99 3,978 973,3 161,4 2194 814.1 1,556 6,577 French Franc 10 Swies Franc. 1,189 0,418 16. 3,711 Duteti Gullder Italian Lira 1,000 6.230 6.385 6.307 0.514 6,890 1,486 74.38 184,8 2,718 4,558 0.768 596.3 1000, 0,483 17,90 30,17 1,877 0,726 8,106 2,366 49,56 100, 175,7 419,2 2,360

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 18	Sterling.	U.S. Dollar	Canedian Dollar	Dutch Gulidor	Swim Franc	D-mark	Franch Franc	ttalian Ura	Gottv.	n Franc Fin.	Yen	Banish Krono
T days' notice	112-114	73a 774 8 81a 8 81a 8 81a 81a 814 80a 81a 81a 81a	7% Bag 64 Big 84 854 86 86 88 96 96 106	24 - 24 24 - 24 24 - 24 24 - 24 24 - 24 24 - 24	1-1 iq 1 iq-1 iq 4 iq-4 iq 4 iq-4 iq-4 iq-4 iq-4 iq-4 iq-4 iq-4 iq-	414-416 414-416 416-416 416-416 416-416	944-912 944-914 214-944 914-915 914-1614 11-1114	11-16 1916-14 19 16 121 <sub>0</sub> 16 123 <sub>4</sub> 131 <sub>4</sub> 131 <sub>6</sub> 14	85e-86s 85e-87s 85e-87s 9 914 914-91e 94e-27s	81g 83g 83g.9 87g.91g 81g.91g 91g 93g 95g.97g	64-64 64-64 64-64 64-64 64-64 64-64	814-9 8 814 874-919 854-914 844-914 814-949

Asian \$ (closing rates in Singapera): Short-term 7%-8 per cent; seven days 7%-8 per cent; one raonth 8%-8% per cent; three raonthe 8%-9% per cent; six months 8%-8% per cent; one year 8%-9% per cent; three years 10%-10% per cent; three years 10%-10% per cent; three years 10%-10% per cent; four years 10%-10% per cent; others two days' notics,

## **MONEY MARKETS**

# Nervous and confused trading in London

Frankfurt | Parie

Interest rates were little changed from Tuesday in London yesterday as the market showed a general lack of direction. This was reflected in a further flattening of the yield curve out to one year. Three-mosth interbank money was quoted at 11% per cent compared with 11% per cent compared with 11% per cent while three-bid at 11% per cent unchanged from Tuesday. Overnight interbank money touched a peak of bank money touched a peak of 121 per cent with lete balances MONEY RATES

12; per cent with lets balances taken down to 8 per cent.

The Bank of England forecast a shortage of around £300m with factors affecting the market including meturing assistance and 9 take np of Treasury bills together draining £190m and Exchequer transactions a further £25m. There was also a rise in the note circulation of £30m.

UK clearing banks base lending rate 11½ per cent since July 30.

WHI FUTURE

These were partly effect by banks' balances brought ferward 130m shove target.

The Bank gave assistance in the merning of £303m compristing purchases of £157m of eligible bank bills in band 2 (15-33 days) at 11-fr per cent and in band 3 (34-63 days) £18m of local authority bills and £100m of eligible bank bills all at 11-fr per cent and in band 3 (34-63 days) £18m of local authority bills and £100m of eligible bank bills all at 11-fr per lates.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept. 18) 3 recenths U.S. dollers bid 9 1/8 offer 6-1% 6 months U.S. dollers offer 8 1/2 M4 83.1 The fixing more are the arithmetic means, rounded to the nearest one sixteenth, by the bid end offered rates for 510m quoted by the market to five reference benks at 11 s.m. each working day. The benks at National Westminater Bank. Benk of Tokyo, Deutsche Beck, Ganque Nationale de Paris sed Morgan Gueranty Trust.

Sept\_ 17

10-110 440-410

| Amet'dam | Tokyo | Milan | Srussets | Dublin

141<sub>6</sub> 141<sub>6</sub> 165<sub>9</sub>-14

4.36 4.46 4.85 4.86 4.6 4.7 4.6 4.7 4,60 4.75 6,8

91g -91g 91g -91g 91g -91g 91g -91g 91g -91g 93-978 93-16 97-164 16-104 6,375 184-144 940 LONDON MONEY RATES Discount Houses Deposit and Bill Rates Treasury (Buy) 94-114 7-114

111/2 111/4 111/4 114-113 114 112

7.98.0 7.958.05 86 8.1 6.98.6 8.43-8.55 8.6 2.7 718-718 766-778 766-778 778-618 743 -844 844 -844 843 -844 849 -844 11% 11% 11% 11% 11% 84 84

ECG6 Fixed Finence IV: Average rate of interest period Asgust 7 to Sapomber 3 (Inclusive): 11.574 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Mouses Base Rate (published by the Finence Mosses Association): 12 per cent from September 1, 1985, London and Scottleh Clearing Bank Rates for lending 11½ per cent. Bank 6 appelt Rates for asme at seven days' notice 8.25-6.855 per cent from 171. Treasury 6 appelt Rates for asme at seven days' notice 8.25-6.855 per cent from 7.1 Treasury 6 appelts Assemble 100,000 and over field ueder one rount 11½ per cent: desposits (Sories 6): Deposits 2100,000 and over field ueder one rount 11½ per cent: one-time months 11½ per cent: three-six months 11½ per cent: should months 11½ per cent: allocal 12 months 11½ per cent: Under £100,000 10% per cent from September 12. Soposits held ander Series 6 11½ per cent. The rate for all dopeasts withdrawn for cesh 7½ per cent.

tinger alleg kommente for in the source of the month of the source of the source of all alleges of the source of t

MONEY RATES NEW YORK (Lunchtime) 

Treasury Bills One raonth ......
Two month .....
Three month ....
Six month .....

# Little change

Trading was rather erratic and disjointed in the London International Financial Futures Exchange yesterday ahead of ing some scepticism as to how funorrow's third quarter U.S. GNP fiash estimate. Eurodollar and U.S. bond funres opened at the day's bighs, having discounted news of attempts to content to base its plan of action raise the U.S. debt ceiling. However the market seemed content to base its plan of action previous experience, suggesting that long dellar positions may be preferable to the risk of burnt fingers.

Sterling based instruments were lower, failing to before specieg levels as sterling showed a weaker trend

Morgan Guaranty Change X 

\*CS/SQR rate for September 17: 1,4040

LONDON THREE-MONTH FUREDOLLAR Dec 91.38 91.44 91.37 91.46
Merch 91.03 91.09 91.03 91.73
June 90.88 90.75 80.67 90.78
Sept 90.35 90.42 90.35 90.46
Dec 90.04 90.08 90.03 90.16
Merch 93.74 89.78 99.77 99.84
June 84.46 89.58 99.51 89.56
Est. volume 3,841 (2,898)
Previous day's open int. 17,607 (16,586) 91.37 91.48 91.03 91.12 90.67 90.72 90.35 90.46 90.03 90.16 90.77 99.84 89.51 \$9.56 THREE-MONTH STERLING Close High Low Pre-89.04 26.06 88.06 89.18 89.25 89.37 89.37 89.48 89.40 89.40 89.40 89.4 89.50 99.43 89.40 89.6 (uma 2.237 (2.752) a day's open lint. 8.141 (5.338) 20-YEAR 12% NOTIONAL GILT Sect 111-18 - 111-13 111-21 11

Dec Close Nigh Low Prev 131.76 132.26 131.56 132.75 June 131.85 — 132.45 Est. volume 212 (122) STERLING 25,000 S per £ SWISS MANCS SWET 125,000

Est. volume 47 (50) Previous day's open int. 241 (244) APANESE YEN YIZ Sm \$ per Y100 Close High Low Prev 0.4156 6.4152 6.4148 6.4154 6.4190 6.4174 6.4174 6.4187

FT-SE 100 UNDEX Close High Low Prev Sept 129.70 129.85 128.70 129.40 Dec 130.40 130.40 129.80 130.00 Est. voluma 339 (487) Previous day's open int. 1,748 (1,691) Sept Close High Low Present 78-04 76-18 76-05 76-05 76-05 76-05 76-05 78 CHICAGO U.S. TREASURY BONDS (CBT) 5% \$700,000 32nds of 100% 69-16 89-16 U.S. TREASURY SILLS (IMM) CERT, DEPOSIT (IMM)

90.03 90.05 88.75 89.78 89.47 89.50 1,3300 1,3215 1,3120

Close High Low Prev 6.4227 6.4226 6.4217 6.4267 0.4276 6.4263 0.4263 0.4366 Linoa 47 (50)

90.03 89.75 89,47

#### Shearson Lehman Brothers Ltd An American Express comp



ore pleased to announce the opening of their Curzon Street office: Leconfield House Curzon Street London W1Y 7FB

> Representatives: Vincent Tchenguiz Robert Fisher

Tel: 01-499 8090 Telex: 888881

据E OPTIONS REPORT vious day's pon interest ils Pats 42 5718 Est volume Calls Puts 6 80 For full details of settlement prices cells Louise Powell of LIFFE on D1-623 0444 LIFFE, ROYAL EXCHANGE, LONDON EC3V 3PJ

## WestLB

Eurobonds · DM Bonds · Schuldscheine for dealing prices call

Westdeutsche Landesbenk, Hand Office, RO. Boa 1128, 4000 Disse Imprestional Bond Trading and Scient Telephone 8 28 31 22/8 26 37 41 Telex 8 581 881/8 581 882

aldeutsche Landesbank, 41, Moorgats, London EC2R BAE/UK phone 838 6141 · Telex 887 994

Marketmakers in Deutschmark Bonds West LB Westdeutsche Landesbank

# Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)

	1984/5	1983/4
	Rm	nillion
Consolidated Profit for year	234.2	268.7
Profit after taxation and lease consideration	144.4	133.5
Dividends paid	77.8	77.8
perchare	135 cents	135 cents

## EXTRACTS FROM THE STATEMENT BY THE CHAIRMAN, Mr. E. PAVITT

## MARKET

The year to June 1985 has been one of sharp contrasts in the platinum market. Industrial demand rose by more than a fifth in response to sustained growth in the world's major economies, while investment and speculative demand suffered severely from investor preference for currency and interest bearing holdings.

The major contribution to the rise in industrial consumption has come from the automobile industry. A rapid acceleration in vehicle production in both the USA and Japan during 1984, to levels which were sustained in the first half of 1985, was accompanied by higher platinum loadings in exhaust catalysts brought about by more stringent enforcement of emission control standards. The combined effect led to an increase of some 30% in platinum group metal requirements by the automobile industry. Vigorous economic growth in the United States during 1984 was echoed in improved demand for platinum in nearly all industrial sectors. Consumption was particularly strong in the electronics and chemical applications. At the low prices which prevailed for much of the period under review, some restocking appears to have taken place giving a further boost to industrial off-take.

Platinum consumption in Japan rose by 42% during the pariod. A substantial rise in personal disposable income and lower precious metal prices led to a recovery in consumer demand for platinum jewellery and to a resurgence in interest in precious metals generally. This interest was given concrete expression, towards the end of 1984 and in the first six months of 1985, through intensive investment purchasing of platinum, by both industrial and private investors.

A feature of the precious metals markets generally has been the improvement in the prices of several of the minor platinum group metals. Rhodium and ruthenium in particular made considerable gains in the early months of 1985. While in most instances prices have retreated to more sustainable levels, the rhodium market remains strong:

## **OPERATIONS**

The increased damand from our customers required re-instatement of unused capacity and the optimisation of production facilities. The latter required elimination of process bottlenecks and improvements in operating efficiencies. As a rasult, capital expenditure at R91 million was some R41 million higher than originally forecast.

During the current financial year customer requirements are projected to continue at the higher level, and capital expenditure is expected to be of the order of R120 to R130 million as the accelerated shaft replacement programme is continued and production capacity is optimised by bringing existing facilities into better balance.

The potential for platinum group metals in the important European automobile industry was enhanced by the clarification of emission control standards end broad agreement, in the European Economic Community, on the timing of implementation.

In Japan, some slowing in the growth in platinum consumption is expected once inventories have been rebuilt, particularly if the developing sound market fundamentals give rise to higher prices. A slow-down in the American economy has already been signalled by declining trends in the electronics industry and some levelling off in the automobile industry. Expectations, in the year ahead, are accordingly for continued growth, but at a slower rate.

Having eliminated exposure to forward currency sale contracts as well as the forward metal purchase contracts, and given prospects for increased metal prices, the company can look forward to improved oparating results in the year ahead.

Johannesburg, 3 September 1985

Copies of the Annual Report including the full Chairman's Statement may be obtained from the London Transfer Secretaries, 6 Greencoat Place, London SW1P 1PL.

THE PART OF

Financial Times Thursday September 19 1985 MINES-Continued 632 | ... 332 | ... 425 | ... 575 | -3 575 | -5 490 | -3 0590d 1.0 5.3 1040c 4.7 3.6 0200c 1.14 0 0135d 0 8.0 050c 0 4.0 090c 1.4 5.3 190 | 140 | Falcon 250c | 151 | 101-Warder Gol 231 | 151 | 101-Warder Gol 231 | 151 | 121-Warder Gol 241 | 121-War 55 | 30 | Langlo-Dominion | 30 | ... | - | - | - | - | | For Anglo Und Dev See Recent Equates | 350 | 117 | WCentensial Min'ls | 182 | -3 | - | - | - | - | 182 -3 66 -----325 -----135 -5 145 -12 £184 -1 190 -5 280 ----37 -3 245 -22 1272 -1 966 +15 Unless otherwise indicated, prices and net dividends are in perce and denominations are 25g. Estimated pricefearaings ratios and concers are biosed in latest annual reports, and accounts and, where possible, are apolated on hall-yearly lisperes. Ples are calculated on "act" distribution basis, caraways pershare being composed on profit after tausation and surelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference of exclosivated on "will "carabation. Concers are based on "matching figures. Ples are calculated to 20 per cent or more difference of exclosivated on "will "carabation. Concers are based on "matching figures. Ples distribution; this campares prox dividend costs to profit after tausation, excluding executional profits/cours, but unchang estimated executed of distribution; this campares for sales of declared distribution and rights.

"Too Stock".

"Highs and Lows marked thus have been adjusted to ACT of 30 per cent and after for sales of declared distribution and rights.

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Figures or report agentic.

Not officianty UK issed; declaring permitted under Rule 535(41a).

USS; sot listed on 5tock Exchange and company and subjected to same degree of regulation as fested securate.

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(International Edition Page 34)
service is available to every Company dealt in an Stock
langes throughout the United Kingdom for a tee of £800 per
annum for each security.

# Leading equities rally from initial weakness; were the major beneficiary and gradually improved during the session on "cheap" huying and bear closing to end the day 12 firmer at 535p, whils LASMO, again supported by takeover speculation, put en 8 to 233p, and Shell 5 to 678p. Secondary issues were bighlighted by North Sea and General Investments which advanced strongly late in the session to close 12 higher at 90p in response to takeover speculation.

index closes 1.9 lower at 1,000.8

Account Dealing Dates
Option
\*First Declara- Last Account
Dealings thous Dealings Day
July 29 Aug 8 Aug 9 Aug 19
Aug 12 Aug 29 Aug 39 Sept 29
Sept 12 Sept 13 Sept 23
\*" New-time" dealings may take
place from 3.30 am two business daya
Nervousness over 18
Dealing Dates

\*" New-time" dealings
Dealing Dates

\*" New-time" dealings
Dealing Dates

\*" New-time" dealings
Dealing Dates

\*\* Dealing Dates

\*\*Page 19
\*\* Account Dealing Dates

\*\*Page 19
\*\* Account Dealing Dates

\*\*Page 19
\*\*Page

psor overnight performance—the Dow Jones average fell nearly 11 points to close below the 1300 level for the first time since mid-June—showed through clearly when blue chip indus-trials opened in Loodss yester-

Very little aelliog meterialised bowever and institutional investors, attracted by the cheaper levels, made their presence felt for the first time in days and acquired fairly large lines of shares in selected leaders.

Business thereafter was thin with interest again largely compared to the 50 per cent interim divided increase and satisfactory first-balf earnings. Steel Burrill, meanwhile, added 12 to 432p following the interim figures and proposed 100 per cent scriplistic.

Business thereafter was thin with interest again largely confined to company trading statements or apecial situations. Down 4.8 st the 10.00 am calculation, the FT Ordinary share index gradually improved to stand only 0.7 easler at 3.00 pm before closing the session 1.9 lower at 1,000.8; after-hoors' sentiment was unsettled by news of renewed early weakness on Wall Street.

Index constituent Courtaulds were an erratic market, falling to 142p as a large line of sbares—reported to be well over 1 im—came on 6ffer. These were subsequently easily placed at around 141p and in the recovery which followed, the close was 146p, a penny barder on balance. Among the sectors, Oils staged a technical recovery after the recent depression caused by wornes about the bleak Gutiefs for oil prices, while Electrical anajors and in particular Plessey, rallied from eerly duliness

recent depression caused by worries about the bleak sutissk for
oil prices, while Electrical
majors and in particular Plessey,
rallied from early duliness
caused by reports that President
Reagan had awarded 2 U.S. army defence centract to the

Government securities remained in the doldrums. Encouraged late on Tuesday by the better-than-expected PSBR figure for August, petential investors were yesterday deterred by a fresh early setback in the pound —it retreated to stand at 1,3275 against the dollar at one stage. Comment on the renewed upward pressures being exerted on inflation by higher public sector pay settlemeets also dampened sentimeot. The upshot was another lacklustre session in the funds which barely strayed from

their overnight levels. Hambros were an eutstanding feature among merchant banks.

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (206)

Electricals (14).

couple of pence to 122p. The Governor of the Bank of England's warning on bad debts prompted renewed duliness in the major clearers, but cleaning levels were above the lowest of the day. NatWest ended 6 off at 632p, after 630p, while Midland relinquished 4 at 388p, after

Leading shares, plagued of late by uncertainties ahead of next month's full meeting of Opec oil ministers, suffered a further mark-down at the outset as dealers took defensive action. Very little aelliog meterialised bowever and institutional investors, attracted by the cheaper Interest in Insurances centred

#### Mail-orders dull

Mail-order issues, supported rerently ahead of the forthcoming dividend season, reacted sharply following publicity given to 6 bearish survey from 9 market research organisation. Freemans, interim figures expected
next Monday, were hardest hit
and declined 14 to 268p. Grattan, annual results scheduled tan, annual results scheduled for next Thursday, dipped 12 to 304p, while Empire gave np 4 to 136p. Elsewhers in secondary Stores, Owen Owen bardened 10 to 395p following the reduced interim deficit. Among USM-quoted counters, John Rent met occasional support and formed 5 occasional support and firmed 5 to 57p, but news of the reduced

for 57p, but news of the reduced first balf profits clipped 2 couple of pence from Paul Michael Leisurewear at 16p.

Pittard featured Spoes and Leather Issues, rising 8 to 119p, after 123p, in belated response to the interim figures and capitalization property.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Weds Sept 18 1985

# FINANCIAL TIMES STOCK INDICES

	Sept. 18	Sept.	Sept.	Sept. 13	Sept. 12	Sept.	year ago
Government Secs	83,25.	23,25	83,15	82,94	82.74	82,79	80,08
Fixed Interest	88,56	88,40	88,38	88.33	88,14	88.15	83.23
Ordinary ▼	1000,8	1002.7	1007.7	1011,8	1014.0	1006.6	871,8
Gold Mines	316,4	313.4	317.4	317.3	623,9	5,905	626.2
Ord. Div. Yield	4,75	4,74	4.72;	4.71	4,69	4,70	4.80
Earnings, Yld. 2(1011)							
PrE Ratio (net) (*)							
Total bargains (Est.)							
Equity turnover £m.;	- ;	316,57	397,29	630.65	370,48	405,33	297,99
Equity bargains	- :	17,856	18,762	21,355	15,855	17,498	16,606
Shares traded (mk/	-	164.4	172.0	245,7	169,9	187.6	197,3

2 pm 1000.4. 6 pm 1002.0. 4 pm 1002.2. Day's High 1002.7. Day's Low 997.1. Seals 100 Govt, Secs. 13/16/28. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/56. St Activities 1974.

Latest (ndex 01-246 8026.

HIGHS AND LOWS	S.E. ACTIVITY
	INDICES

- j	19	85	Since Co	mpilat'n	1	Sept.	Sept.	
	HISP	Low	High	Low .	Daily Gift Edged			
Govt. Sees.	83.67	78,02	197.4	42,19 (6/1/75)	Bargains, Equities		128.5	
Fixed Int	88.81 (28/8)	92,17 (28/1)	150,4	60.56 (8/1/75)	Value	637.8	121.8 661.5	
Ordinary	1024.5 (22/1)	211.6 (25/7)	1024.6 (22/1/85)	22818/4m	Gift Edged Bargains Equities	123.2	129.2	
Gold Mines	686.2 (15/4)	280.1 (29/8)	784.7 (18/2/88)	48.6 (28/10/71)	Bargains	119.5 788.0	121.7 825,8	

higher on balance at 142p.

Plessey, down to 130p initially amid fresh fears that the U.S. military will ignore its Plarmigen communications system in favour of the French Rita, soon recoved to the overnight level of 136p. Other leading Electricals also rebounded from early weakness, with the exception of cals also rebounded from early weakness, with the exception of British Telecom which eased a couple of penre to 196p ahead of today's first-quarter statement. CASE, aided by favourable press comment, continued the recest recovery and settled another 11 to the good at 145p, while speradic interest was noted for Retaflex, 8 np at 183p, and for USM-quoted Brikat, 10 higher down 45 on Tuesday in resction down 45 on Tuesday in reaction to the poor balf-timer, rallied 20 to 105p, while Intec, also sharply lower the previous day follow-ing the preliminary loss, closed 4 up at 25p.

More-than-doubled interim

feature among merchant banks, rising 20 to 170p in response to persistent speculative support; Hambro Trust advanced 35 to the same level in sympsthy. Elsewbere, Provident Financial continued to reflect vague take-over gossip and moved up 5 more to 257p, while perennial bid favourite First National

Fri Sept 13

Index No.

Mon Sept 16

Sept.

Davy Corporation improved 4 to 115p 6n talk that the company bas landed contracts worth some bas landed contracts worth some £130m. Profit-taking lowered Brown & Tawse 5 to 162p and APV 3 to 272p. GKN attracted persistent support and closed 7 to the good 21 234p, but Simon remained a dull market on further consideration of the recent disappointing interim figures and dipped to 202p before rallying to close only 4 off on balance 21 204p.

72p. Elsewbere in Engineerings

The Food sector displayed several noiseworthy movements. United Biscuits closed 3 cheaper at 176p, after 173p following news of a share placing at 166p per share to belp finance the agreed acquisition of the olive division of Early California Industries of the U.S. for a maximum of #55m. Comment on the Industries of the U.S. for a maximum of £55m. Comment on the excellent interim results stimulated Bernard Matthews, up 15 to £495p, after 505p; Mr. B. T. Matthews and certain members of his family have placed 2.1m shares with institutional investors in a move to diversify pert of their investment portfolio. Among Retailers, Argyll encountered profit-taking and came back 4 to 323p, but Normans attracted a lively trade on talk of 8 bid from Mr. Lewis E. Cartier and from Mr Lewis E. Carrier and touched \$2p before closing a net

After Tuesday's agreed bld worth 625p per share from Mr J. H. Edwards and bis family interests, Arden and Cobden Hotels raced up 90 more to 805p, making a two-day rise of 290p.

Among the miscellaneous industrial leaders. Fisons closed 3 off at 347p, after 342p, after comment on the interim results, while Beecham settled a couple of penre cheaper at 323p, after 326p. Elsewhere, profit-taking in the wake of the interim figures left British Syphon 9 lower at 135p, but takeover speculation prompted a rise of that amount in AIM Group to 118p. Elsewhere, Bespak plummeted 65 to 160p following the chairman's warning about a bad debt provision which is likely to have a serious effect on first-half profits, but Williams Holdings met with renewed buying interest in a Australians easier There was very little in the way of good news in mining markets. Consolidated Gold Flelds were marked up to 446p at the outset, reflecting generally favourable Press comment on the increased preliminary profits announced on Tuesday, but subsequent persistent small selling lowered the shares to 437p before a close of 440p, unchanged on the day. Rio Tinto-Zine, bowever, remained out of favour and gave up a further 13 to 565p, a two-day decline of 19.

Australians suffered a sharp but Williams Holdings met with renewed buying interest in 2 restricted market and gained 23 to 373p. Siche attracted buyers at 575p, up 15, while other bright spots included Suter, 7 higher at 154p and Isotron, 6 to the good at 218p. Crest Nichelson gained 6 more to 115p on taksover hopes, but Christies International shed 7 to 243p; the latter's interim results are due on October 8.

There was very little in the

cent is regarded as acceptable but any tax above this rate is thought by dealers to be bearish

**OPTIONS** First

Westiand, LRC international, Energy Capital. De Beers, Falcon Resources. McFinley Red Lake, Southwest Resources. James Ferguson, Stockley and Stead &

Simpson. A put was done in Terrex, and a double option was arranged in Manganese Bronze.

RISES AND FALLS

474 640 1.662

YESTERDAY

October 8.

BL eased a couple of pence to S1p following disappointment with the first-half results. In contrast, further consideration of the excellent annual figures lifted Armstrong Equipment 5½ for a two-day improvement of 12 at S7p. Aerospace Engineering hardened a couple of pence to 34p, also after full-year figures. In Distributors, Frank G. Gates, a perennial takeover favourite, encountered profit-taking and dipped 11 to 72p; the interim results are expected early next month.

month.

An otherwise uneventful session among Publishers was enlivened by Fleet Holdings which advanced to 367p before closing only 3 up on balance st 363p after the surprise announcement of full-year figures — the first step in the defence to the offer from United Newspapers, a couple of pence cheaper at 308p. Elsewbere, Bemrose shed 5 to 128p following the interim loss and slashed dividend. Lowe Howard-Supink, on the other band, rose 5 to 285p after increased first-balf earnings.

In Properties, Regenterest coning quotations generally showed little change throughout the ses-

creased first-balf earnings.

In Properties, Regenterest continued to attract buyers and added a penny more to 34p for a three-day rise of 5, while Five Oaks gained a penny to 41p on news that Britisb Car Anctions had acquired a 22.7 per cent stake in the company.

SkethjEvbF etaoin shrdin cmf The recent tale of woe in Textiles continued as Hugh Mackay slumped 10 to 76p in reply to more-than-halved interim profits. Coats Patons, which revealed gcuttely disappointing midterm figures on Tuesday, dipped to 129p before settling 4 lower on balance at 133p-still down 21 over the last two trading sessions.

Britannia Ayron, a ricing man

Britannia Arrow, 2 rising mar-ket of late, advanced to 111p before closing 3 dearer on balance at 110p following the 90 per cent expansion in mid-term profits; Guinness Peat, which holds around 27 per cent of the 71p.

The recent period of sustained weakness in the fil sector, which reflected fears of falling oil prices in the run-up to the October 3 OPEC meeting, gove way to a sustained rally. BP

#### YESTERDAY'S **ACTIVE STOCKS** Above average activity was no

the following stocks ye	sterdey.	
	Closing	Day's
3tock	price	change
Armstrong Equipment	67	+ 83
Seapsk	160	-65
British Aerospace	400	_
British Syphon	135	- 2
Couts Patona	133	- 4
Courtaulda	146	+ 1
Floot Holdings	363	+ 2
Matthews (B.)	495	+ 15
Normana Group	817	+ 23
Prudential	889	+ 6
Zomportex	90	+ 6

#### TUESDAY'S **ACTIVE STOCKS**

oted in	Seeed on barget Exchange Officia		orded in	n Stock
Day's			Tues.	Opy's
change	Stock c	hangee	close	change
+ 82	British Aero	16	400	~ 5
-65	Coats Patona	15	137	~17
_	LASM6	15	275	~16
- 2	Armstrong Eqp	14	4812	+ 32
- 4	2P	14	523	~ 2
+ 1	Cna Gold Fids	14	440	+13
+ 2	Fisone	13	350	~10
+ 15	Bowater Inde	12	340	+13
+ 22-	Brambil (C. O.)	12	186	+ 19
+ 6	Distillers	12	385	_
+ 6	P & O Defd	12	406	~ 9
+ (3	Shell Transport	12	673	- 2

#### **EUROPEAN OPTIONS EXCHANGE** Vol. ( Last Vol. Last | Vol. Last | 6tock

1	GOLD C	5320 34	16 /		- 1	- 1		\$ 316,90
١	COLD C	\$340 24 \$350 9	3,50 1,60	619	11	10	17.50	, ,,
ł	E GOLD P	\$300 615	3,40	190	8 (	= 1	_	1 :
1	GOLD P	\$320 13 \$340 26	23	= 1	1 = 1	30	13	77
ł			not.	De	c '	Man	-h	
1	SILVER P		19			_	_	8394
{	SIFL C	E1 316 20	11.30 A	12	14.50	- 1	_	FL363.40
ı	SIFL C	F1.385 127 F1.330 261	8.10	66	7.50	18	10	71
ı	SIFL C		6.50 0.36	87	5.80 3.60	11	8	1 :
- 1	SIFL C	F1.340 —		13 14	3.60	8	7A 6.00	, ,,
-1	S/FL P	F1.01UI —	1	91	3.40 4.50 B	-	_	2
1	S/FL P	F1.515 100 FL320 53	0.20	95	5.80	30	10.20 12.40	
١	BIFL P	FI.385 22	1.50 B		16,30 B	20	16	! ;;
-1	8:FL P	F1,330) 26	4,36 B	13	17,50	<b>-</b> ;	_	
1	S/FL P	F1.836 61 F1.840 81	16.60	302	17.50	= 1	_	**
•	S/FL P	F).345 180	16.50 18,50 24.50	3	12 23,50	_		
- 1	SIFL P	F1.360 103 F1.366 3	24.50 35 8	_	_ 1	100	60,50	n
1	SIFL P	E 370 101	44	= 1	! = !	= }	=	1
- 1	SIFL P	F1.380 80	54	<b>=</b> 1	i — i	- 1	_	8133.80
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ı		<b>-</b>	-	•			_	
ł			çŁ	يول		Ap		
- 1	ABN C		1,50	67	33.50 5,80	3	7,50	FI.600
ſ	ABN P AEGN C	F1.490 45 FL100 212	1.10	106	2.50	2	6.50	F1. 97
١	AEGN P	F1,96 25	0.80	212	2.70	· = !	_	
(	AH C	FI.96 25 FL240 80 FL250 57	2.50 3.50 A	71	16.70	= 1	=	F1.847.20
.)	AH P AKZO C	F1.156 254	1.10	86	4.50	28		F1.136
-1	AKZO P	FJ.1304 68	6.50 B	167 150	7.60 2,80	14	8.20 8	F1, 85,50
- 1	AMRO C	FI.90: 17 FI.90: —	0,90	130	2,00	130	- 6	rı, 00.90
1	AMRO P	FL220 28	3.30 1	4	114			FL219
ł	GIST P	CT 21CT 0	3,30 0,80	9	2.00	_	_	
- 1	NEIN C	F1.160) 486	4,50	141	7.90 8.60	10	2.50 B	FI. 161.50
1	HEIN P	FL160 127 Fl.65 132	0.70	77 132	2.40	12	3.50	FL 60.90
ì	HOOG C	FL60 52	0.80	120	] 2 i	36	. 3	
- 1	E KLM C	EI AO 315	2.20	100 282	3.70	32 85	4.70	F1. 57.80
- }	KLM P NEDL C	FL60 95	12 A		1 - 1	-		FI.189.59
- 1	NEDLP	61.19C) 12	3.50	20	7 1	-	i .—	PL 75.30
	NATN C	FL72,50 180	3,10 B	_	!	_		(FL 75.40
	NATH P	FL70: 73	0,20	7 16	1,20   503	<u> </u>	1.89	Fr. 6210
ı	PETR 0	Fr.6000	1,10	650	2.90	17	4	FI, 66.10
ì	PHIL C	Ft 45	1 - i	330	0,80 B	_		•
]	RDC	£1.900) 174	2,80	295 213	5,20	17 149	6.20	FL 190,5
-	RD P ROBE C	FI 190 90 FI 75 16	1,70	~~	!		0.20	FL76.10
ı	ROBE P	FL50 -	) - 1	10	4.50	_	<b>,</b> –.	
1	I UNIL G	FL360 20 FL320 —	{ <u>1</u>	10 56	3,30 g	Ξ	Ϊ Ξ΄	1,342
	UNIL P	LUME IN CONTRA	CTN: 18					
-	TOTAL VO	LUBE IN SOULS	B≈Bid	·-··	Call	P=Pt		
		A=Ask	9-20KI	•	- Ağıl			

## RECENT ISSUES

# **EQUITIES**

					<del></del> _				_	_
20	Marie de la companie	12	B5	Stock	Clasing	( ;+_or	# >	1 E E		9
terus prios	Amou paid Late Renur	High	Low				<u></u>	-8		
\$59 67 \$34 190 \$116 \$116 \$116 \$116 \$116 \$116 \$116 \$11	F.P. 20/9 F.P. 6.9 F.P. 27/9 F.P. 5/9 F.P. 30/8 F.P. 4/9	41 7 145 143 75 130 68 123 281 87 113 167	69 £12 35 8 117 140 69 119 48 23 25 80 28 58	ATA Solocion 5p. Aberd'n Steak M. 32 Alex. & Alex. o. 61 Anglo Utd. Dev. Bardsey Ptd. Ord. Britoll 100. Britoll 100. Britoll 100. Control Holgs. Control Holgs. Greenwich Resources Fistal ulack L. 40. Arkowill Systems 5p. Lewmor. Mysander Pet. 5p. Moses Advertising 5p. Meduset 162. Assumble Petm. 60p.	£121 41 7 125 140 74 130 93 286 113 68 27 175	-( -1g +3 	60.5 g1.2 u2.625 bg2.45 bg4.0	2.1 2.3 2.1 2.3 2.1 2.3 2.1 2.3 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3	3.9 3.5 5.5 1.5 6.6 1.0 2.3 2.0 3.6	18.1 18.4 18.0 18.2 18.3 18.4 18.4 18.4 18.4 18.4 18.4 18.4 18.4

#### FEXED INTEREST STOCKS

	THE ARREST TOTOLOGO GOTTON		_	
, !	favourable Press comment on the increased preliminary profits announced on Tuesday, but sub-	Issue P.D. 1986 Stock	price &	<u>+•</u>
5	segment persistent small selling lowered the sbares to 437p before	Price ED TEST High Low	ā	Ξ
	a close of 440p, unchanged on the day. Rio Tinto-Zinc, how- ever, remained out of favour and	27.305.230 - 50% 29% Australia 21/2 Ln. 2012.	0.2 5.2	77
Ĺ	gave up a further 13 to 565p, a two-day decline of 18.	181.444.230 - 281c 9712 Bank of Greace 10 181. Mort. Deb. 1025 2 196.456.256 27/11 2634 8356 Brixton Est. 10 18 1st. Mort. Deb. 1025 2	154	-1
L	Australians suffered a aharp setback in overnight Sydney and	100 £10 - 134 136 Eastbourne Water 21ct Red. Prf. (295 1	312 034 -	
1	Melbourne markets amid increas- ing fears of the imposition by	100 F.P 8819 8412 AMEMORY COMP. 7.55 1/8/86	212	÷
1	the Federal Government of a capital gains tax in excess of 20	- F.P 100 99 (8) Do. 11 (2) Std. 15-0-86		_
į	per cent, when the Government announces its package of taxa-			
i	tion changes sometime today. A capital gains tax of below 20 per	RIGHTS OFFERS		
t	cent is regarded as acceptable			-

#### RIGHTS OFFERS

cent is regarded as acceptable							
but any tax above this rate is thought by dealers to be bearish for Australian issues. Interest in South African gold	(ssue price	Amoun1 paid up	Latest Renunc. date	High j	Low	Stock	Closing
and related issues remained at a low ebb. A alightly easier Rand and early weakness in the bullion price prompted miner selling during initial dealings but sterl- ing quotations generally showed little change throughout the ses- sion reflecting the easier trand	11 12 12 12 12 12 12 12 12 12 12 12 12 1	NII F.P. NII NII F.P. 100 F.P.	86/16	70 pm 60 36 2m 50 2m 51 pm 91 130 121 <sub>2</sub>	33 20pm 40pm 122m 86	BASF A.O. OM 50 Brit. Vanding 10p City Gite Estates Emass Lighting Creenfield Blacks 10p Greenwich Resources Hanson Trust RTD Group IR 1,75p	60pm: 40pm: 12pm: 90 117

sion reflecting the easier trend in the pound.

Activity in Traded Options centred on two stocks: Imperial Group were particularly lively amid speculation that Bend Cor-Renunciation date usually (sat day for dealing fras of stamg duty. *b* Fig based on prospectus estimates. *g* Assumed dividend and yield. *v* For dividend cover based on previous year's earnings. 2 Pence unless of midicated. I Issued by tender. [0 förerd holders of ordinary abstrating the state of the s amid speculation that Bend Corporation is set to launch an offer
and attracted 2,014 'calls, 931 of
which were struck in the
Februsry 200's. Courtaulds recorded 1,030 calls, the January
120's contributing 650 trades.
Total centracts transacted
amounted 10 8,794.

#### **NEW HIGHS AND** LOWS FOR 1985

NEW HIGHS (64)

Pirst Last Last Fer Deal- Deal- Declara- Settle- ings ings tion ment Sept 9 Sept 20 Dec 5 Dec 16 Sept 23 Oct 4 Dec 19 Dec 30 Oct 7 Oct 18 Jan 2 Jan 13 For rate indications see end of Linit Trust Service Treas, 124pc 1995

"Bon 114pc 2012 LCC 5text 95-87
Lirpop 134pc (red. Do. 5text 98-90
CANADIANS (1)

Echo Bay Mines
BANKS (3)
Deutsche Sank Wabon Finance Unit Trust Service
Call options were taken out
in Sears, GEC, Control Securities,
Westland, LRC International, Deutsche Bank Wabon Provident Floancial Buildings (2)

Barratt Dripts. Countryside Props STORES CO. Chird (A.)
Kent (John)
ELECTRICALS (1)
Whitworth Electric
ENGINEERING (1)

West Photos (4)
Carris Milling Marchews (8.)
Icoland Frozen
MOTELS (7) loM Enterprises

Authory Modeley
Barham
Cannon St. lavs.
Crost Nicholson
Ouport
Ersking House
INSURANCE (1)

Armstrong Eqpt. Bramail (C. D.) Kwile-Pit

Gt, Northern Teles.

NEW LOWS (43) First Pacific Hides, MCorp

Access Sateline Feb Intl. A Scot. Agrick, Indo. Scot. Agrick. Inds.

Greenheld Blacks.

Greenheld Blacks.

Micro Focus CLECTRICALS (4)

Micro Focus TOS Circules.

Northern Telecom. TOS Circules.

Northern Telecom. TOS Circules.

Northern Telecom. TOS Circules.

Ash & Lacy FOOOS (1)

Number Sabbir FOOOS (1)

Beonak INDUSTRIALS (3) Besnak Dover Corp. Ferner (J. N.) LEISURE (1)

Aldoom inti, Benrose Good R Court Potents Court Potents TORACCOS (1) TRUSTS 14)
Fledgeling Japan Second Market Inv.
Japan Assets Albo F. C. Enterprise Trust
Cov. Ln. 1994 rdeen Am. Pet. Phoe

GC. Western Res.
PLANTATIONS (2)
Anglo-East Plants.
Anglo-East Plants.

Continue

(16 gay) (16 feet (26 feet (26 feet) (26 feet) (26 feet)

# LONDON TRADED OPTIONS

		CALLS		<b>คบาร</b>				CALLS			PUTS				
Option		Oct	Jan.	Agr.	Oat.	Jan.	Apr.	Option		Nov.	Feb.	May	Nov.	Feb.	May
8.P. (*636)	500 500 600	45 14 11 <sub>2</sub>	e9 33 14	78 40 19	6 25 76	19 30 70	80 87 73	Recal (*169)	150 140 150 180	17 11 3 11g	24 17 11	68 24 16 10	6 11 24 44	7 14 24 44	9 19 26 44
Cons. Gold	390 420 460 600	48 19 7 6	50 66 20 10	76 48 38 19	16 47 86	87 50 85	17 35 37 87	R.T.Z. (*379)	500 350 600 656	80 42 19 6	22 54 28	54 69	4 14 40 97	11 98 54	35 60
Courtaulds (*146)	126 150 140 150	28 12 11 24	33 24 13 2	33 28 12 11	1 2 3 19	2 3 6 16	3 7 17	Vaal Reefs (*671)	50 70 80 90	13 lg 7 3 l4 2 0 la	1912 11 614 314	194	919 6 14 22 5119	412 212 17 2518 62	12 12
Com. Union (*226)	200 286 940	48 28 15	34 19 16	39 98 14	2 3 9 29	4 13 23	7 14 28	Ex10% 1989 (*£98) Tr 11% 1981	96 98 109	1 H2 0 1%	214 044	 B <sub>rb.</sub>	6 & 054	6.4 0%	
G.E.C. (*166)	150 180 203	14 41 <sub>2</sub>	22 16 4	30 12 10	3 19 36	6 20 36	92 55	(*£104) Tr. ()3% 06/07	106	329	8-74	0.8	- 0.0	-	14e 234 14
Grand Met.	280 300 630 350	66 42 12	70 33 29 13	77 58 37	2 7 30	3 7 19 35	9 22 45	(*E116)	112	1 1 1	374 274 115	234	212		OTE:
(.C.I.	350 700	6 )   23	54 27	62	17	26	38	Optio		Sept.	Dec.	Mar.	Sept	Dec.	Mar.
. (*857)	750 800	7 3 11 <sub>2</sub>	12	87	47 87 147	50 27 147	80	ETR (*360)	350 350 360 376	1.5 6	35 20	35 35	18 K	222	16 37
Land Sec. (*293)	250 260 300 350	38 17 6 2	40 98 18 8	45 39 91 8	1 10 52	3 14 40	8 18 41	Beecham (*530)	390 330 360	32 4 1	37 20 11	48 27 14	28 8 33	43 19 37	10 22 40
Marks & Sp. (*151)	120 136 140 160	34 24 15 3	99 21 7	33 24 10	1 8 91 <sub>2</sub>	6 3 14	4 7 17	Base (*674)	500 550 500	80 80 4	23 80 26	105 52 33	11 <sub>2</sub> 9 27	13 84	111 24 47
Shell Trans.		40 8 3	50 26 11	62 33 17	30 77	14 37 78	20 45 83	De Bears (*\$4,40)	480 460 500 650	24 4 2 1	32 27 11 4	65 45 27 17	7 70 180	97 48 78 129	58 57 132
Trafgar Hse ("561)	523 350 338 360	12	44 95	51	2   0	6 18	21	GKN (*283)	200 290 240	36 18 3	41 23 11	43 29 17	2 2	4 9 13	11 19
	383 390	<u> </u>	10	18	88	66	38	Glaxo (*1392)	1950	80	125 95	183 185	i i	37 50	55 50
	=	<u> </u>					=	Hanson	1350	1 10	5 50	26	32	3 50	75
Option		Nov.	F8b.	May	Nov.	Feb.	May	(*203)	125	10	23	26	Î.	5	-
BAT Inds. (*273)	280 300 336 650	14 7 8	23 15 4	22 22 10	18 55 63 23	92 40 66	28 45 67		213 220 236	034	11 8	18	13 54	18 36	26
Barclays (*372)	633 660 386 390	47   18	42 25	55	2 25	13	18	jaguar (*282)	240 950 280 300 330	45 83 91 <sub>9</sub> 01 <sub>2</sub>	58 37 26 16	39 43 28 21	1 19 5 20 50	15 26 50	10 91 30
9-12 4-20	420	<u>                                     </u>	11	-	<u>! =</u> _	69	<u>  = </u>	Tesco (*850)	266	26	87	T ==	1 1	1	12
8rit. Aero (*400)	300 330 666 320 430	108 78 50 28	85 80 40 92	23 57 50	1 5 14	12 20 20	11 20 38	( 555)	260 260 280	6 14	20	97 14	3 22	11 25	15 27
BritTelecem (*195)	170 180 900 220	33 24 81 <sub>0</sub> 3	82 16 7	35 21 11	50 23	5 14 26	7 18 80	£ \$ (=153.55cts)	125 150 135 140	10,00 6,40 4,00 2,20	5.50	8,90 6,70	3,40 5.00	5.70 8.20	7.80
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CONSUMER GROUP (176)
Brewers and Distillers (23) Food Manufacturing (21)
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Miscellaneous (64)
Telephone Networks (2) INDUSTRIAL GROUP (483) FIMANCIAL SEGUP (115)
Banks (6)
Insurance (Life) (7)
Insurance (Brokers) (7)
Insurance (Brokers) (7)
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# WORLD STOCK MARKETS

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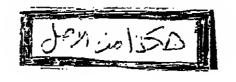
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# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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UK COMPANY NEWS

# FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

# **Nervousness** ahead of decision day

A RENEWED burst of selling on Wall Street died away at mid-session yesterday, when the blue-chip stocks made a successful, if somewhat technical, recovery, writes Terry Byland in New York.

The approaching termination date for the September futures contracts on market indices was an additional reason for nervousness. Bond prices gave ground again after news of a sharp jump in Au-

gust housing starts.

After falling by more than 8 Dow points in early trading, the stock market steadied, to show a mixed picture, with losses still in the majority. Firmness in the blue chips left the Dow Jones industrial average with a net gain of 2.24 points at 1300.40, with 106.3m shares

Turnover in stocks remained high, and prices were easier across the broad range of the market. The stock market faces a day of decision tomorrow, when the closing of September futures contracts on stock market indices coincides with the Commerce Department's disclo-sure of its latest GNP forecasts. Weakness in the futures markets prompted further selling yesterday.

The Dow Average suffered through a sharp fall in Merck, the pharmaceutical leader, a principal component of the index. Merck was \$5 off at one time on re-

1981

STOCK MARKET INDICES

153.31

161.71

1.294.6

628.98

316.4

511.0

100.28

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10.39

1,000.8 1,002.7

Sept 18 Previous Year and

1.300.40 1,298.16 1,226.28

153,16

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690,91

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578.10

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Yen FFr

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Tokyo

New Stock Exchange

Jan 4,1968 - 100

End Month Figures

1000

800

600

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gilt

Nikkel-Dow

Tokyo SE

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Metals & Mins

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Belgian SE

All Ord.

AUSTRIA

BELGIUM

OJ Industrials

S&P Composite

KEY MARKET MONITORS

ports of bearish comments from two leading brokerage houses. But at least one big Wall Street trader remained bullish on Merck and the stock steadied to \$108%, a net \$2% down.

AT&T edged up by \$\% to \$20\% after a favourable ruling from the Federal Communications Commission on its equipment manufacturing divisions.

The computer sector brightened as Control Data recouped \$1% of its fall to stand at \$18%. IBM added \$1 to \$127%, Honeywell \$1% to \$62% and Burroughs

Brisk trading in airline stocks enabled American to recoup \$1% to \$40% and United \$1/2 to \$49%. Aerospace and defence stocks remained uneasy, with General Dynamics \$% off at \$70% and Lockheed \$% down at \$47%. The firm spot was McDonnell Douglas, which recouped 51% of its recent loss to stand at \$72%. Also firm was Grumman, the Long Island defence and passenger vehicle manufacturer, \$1% higher at \$35%. Car stocks remained friendless al-

though General Motors at \$67% were \$% after rallying from some initial selling linked to index futures programmes. Ford shed \$\% to \$43\%.

In mixed chemicals, Union Carbide lost \$\% to \$52\%, while Monsanto, still lacking supporters, gained \$1\% to \$47\%. Among takeover stocks, Richardson-Vicks dropped \$5 at first, as the board's

strengthening of its takeover defences seemed to weaken Unilever's chances of winning the battle for control of the company. But the stock steadied to \$49, down \$1%, after Unilever sought a legal ban on the dividends intended as part of the directors' plans. Unilever will pay only \$48 a share if the Richardson board continues its opposition.

SCM, down \$% at \$72%, continued to await the full legal hearing of the company's suit against Hanson Trust of the

CURRENCIES

2.892 241.65 6.61 2.36

1,929.0

58.25

U.S. DOLLAR

2.903 242.1 8.86 2.388 3.259

1,944.0

58.65

1.37775 1.37655

1400

1350

STERLING

3.875

323.75 11.6

3.1875

4.3575

2,584.0

78.0 1.8425

3.8775

323.5 11.8375

2,597.0

78.35

1.841

3,19

UK, which still holds a 25 per cent stake after ending its bid for the company. The downswing in interest rates over

the past week helped utility stocks. There were buyers again for Consolidated Edison, the New York area electrical ntility, which added \$% to \$33%.

In the credit market, Federal Funds stayed comfortably below 8 per cent, with the Federal Reserve helping to keep them there by purchasing \$500m bills on its customer accounts. T bill rates dipped by a few basis points, bringing the net fall over the past week to around 14 basis points.

But the delay in gaining Senate approval for the new debt ceiling was a further reason for nervousness in the bond market. The Treasuries market may now expect the Federal refunding programme to emerge in mid-October when it might clash with the year-end funding by U.S. corporations. Bonds gave up half a point as the market braced itself for tomorrow's "flash" estimate of GNP growth from the Commerce Department.

#### LONDON

# Light rally after early weakness

BLUE-CHIP industrials suffered a further mark-down in London yesterday, hampered by nervousness over Wall

Street's poor overnight performance.

Leading shares, plagued by uncertainties ahead of next month's Opec oil ministers' meeting, continued lower as dealers took defensive action. Very little selling materialised, however, and institutional investors, attracted by the cheaper levels, bought fairly large lines of shares in selected leaders.

Business thereafter was thin, with interest again largely confined to company trading statements or special situa-tions. The FT Ordinary share index closed the session 1.9 lower at 1,000.8.

Gilts remained in the doldrums. Encouraged late on Tuesday by the better PSBR figure for August than expected. potential investors were deterred by a fresh early setback in the pound.

Chief price changes, Page 35; Details; Page 34; Share information service, Pages 32-33.



## **AUSTRALIA**

INVESTORS were absent in Sydney ahead of the release today of the Government's new tax reforms, which are expected to include a capital gains tax, an increase in the corporate tax rate and a tax on employee fringe benefits.

The All Ordinaries share index saw its largest one-day fall since October 1983, ending 16.3 lower at 945.5.

Media stocks were especially hit with News Corporation 30 cents easier at A\$8.70 and Fairfax and the Herald and Weekly Times down 20 cents each at AS\$ 20 and A\$\$4.75, respectively. Elsewhere, Bell Group lost 50 cents to A\$\$ 30 after its rise in the previous ses-

sion on the back of higher profits for the year. Adsteam gave up 20 cents to A\$9,10 and Elders lost 9 cents to A\$3.35.

## **HONG KONG**

EXPECTATIONS that Sir John Bremridge, Hong Kong's Financial Secretary, will next week revise downward his forecast on the colony's growth in gross national product weighed heavily on prices that ended the session mixed.

Overseas investors were among the principal sellers yesterday, as they were on Tuesday when share prices dropped

Hongkong Bank, which saw some heavy selling, eased 5 cents to HK37.20 and Hang Seng dropped 50 cents to

In other market leaders, Hongkong Land, Hutchison Whampoa and Swire Pacific all gave up 10 cents to HK\$6.05, HK\$26.10 and HK\$24.40 respectively.

## SINGAPORE

Prev 446.75p

441.00p

\$27.30

Oil (spot Arabian Light)

£1,009.00 £1,011,00

£1.684.00 £1.657.50

BUY ORDERS from local institutions boosted prices in Singapore yesterday although gains were pared later in the session when some investors elected to take their profits.

Fluctuations in the local currency, however, worried investors, some of whom believe the stronger currency is a bad thing because it does not accurately

reflect the economy.

Promet, one of Tuesday's most active stocks, was again the day's most notable feature. It ended 18 cents higher at SS1.42 after 5.8m shares changed hands - nearly 19 per cent of the day's total

turnover. Banks recorded favourable gains. DBS rose 15 cents to S\$5.20, OUB 13 cents to SS2.76 and both UOB and OCBC 10 cents each to SS3.52 and SS8.00 respectively.

EUROPE

# Belgian tax hopes fuel rise to peak

HEIGHTENED expectation that the Belgian Government might extend tax legislation aimed at stimulating invest-ment in domestic equities yesterday provided the impetus for another surge among shares in Brussels.

The stock exchange index reached its second consecutive record, adding 18.26. to 2,472.65 and lifting the advance during the past two days to 40.91. Hopes that the legislation offering tax

breaks to investors in Belgian equities might be prolonged beyond December 31 received new life after a statement by M Guy Spitaels, leader of the Socialist Party, that he would support an exten-

Petrofina consolidated Tuesday's BFr 70 rise with a BFr 20 increase to BFr 6,230, although turnover was lighter than in the previous session.

Retailers were well supported throughout the day, led by GB-Inno, which added BFr 95 to BFr 4,220 with Delhaize close behind with a BFr 50 improvement to BFr 8,350.

Frankfurt suffered profit-taking during the afternoon, which sharply reduced the earlier price improvements, although many leading issues closed higher on the day.

The Commerzbank index, which is

calculated at mid-session, did not reflect the afternoon selling and closed at its second consecutive all-time high with a 7.1 rise to 1,541.1.

News that West German car registrations fell 44 per cent in August compared with the same month last year left the sector prey to investors wanting to pick up profits. Daimler took the hardest fall, ending DM 12.50 lower at DM 978.50, followed

by VW, down DM 8 to DM 339, and BMW, off DM 3.50 at DM 497.50. Chemicals, an exception, remained in demand for most of the session. BASF added another DM 2,90 to DM 230.40

while the rights that started trading on Tuesday firmed 35pfg to DM 2.75. Hoechst added DM 1.10 to DM 223.80 and Bayer DM 1 to DM 226.80.

Siemens, which was keenly sought on Tuesday, slipped back during late trading to end 50ptg higher at DM 607.50, while among other electricals, AEG fell DM 220 to DM 144.80 and Nixdorf eased DM 1.60 to DM 579.50.

Although the Dutch budget was well received, investors in Amsterdam remained cautious, with the gaze more fixed on Wall Street.

Consumer product groups received some encouragement from the budget

with price movements marginal.
Insurers were firmer. Aegon added 30 cents to F1 97.30, Amey 70 cents to F1. 305.20 and Nationale 50 cents to F1 75.30. Among internationals, Royal Dutch/ Shell eased 50 cents to Fl 189.50, Akzo 10 cents to Fl 125.30 and Philips 10 cents to FI 50.10.

Paris tended lower, with losses holding a clear advantage on gains in thin trading. Favourable news on France's trading position was offset by bleak employment figures.

Avions Dassault stood out on increasing anticipation that the company would be chosen to lead the consortium to build Europe's space shuttle. The shares added FFr 120 to FFr 1,125.

Hope of a computer contract with the U.S. military fuelled interest in Thomson and left it FFr 26 higher at FFr 560.

Shares in Zurich closed broadly lower with turnover again well down on recent levels. The market also remained vulnerable to profit-takers after its strength earlier this month.

Stockholm closed mixed in dull trading with institutional investors again on the sidelines. Profit-taking trimmed prices in Milan, and Madrid was also on the downturn.

#### CANADA

TORONTO shares were mixed, although it recovered some losses from the previ-ous day's largest single-session fall for

more than two years.

Active issues among oil and gas shares included Merland Explorations, which traded down 20 cents at C\$3.30. Geocrude, off 10 cents at C\$3.40 and Guif Canada, C\$% easier at C\$19%.

Golds continued lower on the back of an easier world bullion price. Lac Minerals lost C\$% to C\$32%, Echo Bay fell C\$% to C\$16%, while Dome Mines added C\$%

Montreal stocks reversed their recent decline and hanks and industrials rose with Power Corporation CS% ahead at C\$17%.

#### **SOUTH AFRICA**

AFTER a firmer start, gold issues in Johannesburg turned easier as the bullion price returned to a level near its overnight lows.

Driefontein ended unchanged at R49.25 amid reports of higher pre-tax profits for the year ended June 30. Vaal Reefs shed R3 to R187.50 and Blyvoor gave up 25 cents to R14.

Elsewhere, Anglo American was up 75 cents at R33, FS Geduld was steady at R56 while Highveld Steel eased 10 cents to R5.15.

TOKYO

# Absence of four brokers a dampener

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MITSUBISHI Heavy Industries continued to attract large buying orders in Tokyo yesterday, but other issues fell across a wide front during cautious trading, writes Shigeo Nishiwaki of Jiji

The Nikkei-Dow average dropped 117 points at one stage hut made a late recovery on rumours that the Tokyo Stock Exchange would relax margin trading regulations. The index finished at 12 529.68, down 61.85. The exchange later denied that it intended to make the

Turnover totalled 426.14m shares, compared with 407.03m on Tuesday. Losses outnumbered gains 518 to 287, with 163 issues unchanged.

Activity was dampened by the absence of the four largest brokers as they prepared for strategy meetings this week to talk about the new business year starting in October. Wall Street's overnight weakness also slowed the

Mitsuhishi Heavy Industries remained the busiest stock, with 46.62m shares changing hands, but added only Y1 to Y434 after profit-taking pressure. Nikko Securities said that in trading of the issue from July 1 to September 12; corporations registered net buying of 24.70m shares, investment trusts 19.25m and foreign investors 13.95m. Most sell-

ing was done by individual investors.

Encouraged by Mitsubishi's active trading, investors also bought other large capital issues. Kawasaki Heavy Industries gained Y4 to Y236 on the second heaviest volume of 29.87m shares and Kawasaki Heavy Industries rose Y2

Issues related to electrical equipment investment climbed higher. Osaka Transformer jumped Y34 to Y528 and Takaoka Electric Y37 to Y470.

The passage by a U.S. Senate commit-tee of a bill calling for opening of the Japanese communications equipment market pushed down blue-chip electricals. Hitachi lost Y9 to Y651, while Sony fell Y110 to Y3,590. NEC closed Y22 lower

Among biotechnologies, Dainippon Pharmaceutical went up Y80 to Y3,080, but Yamanouchi Pharmaceutical and Green Cross shed Y30 each to Y3,010 and

Y2,070 respectively.

A cautious mood prevailed on the bond market after Tuesday's steep rise.



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testimonia. For details on "The \$1,000,000 Switch" contest, call the KnowledgeMan/2 registered dealer in your area. See KnowledgeMan/2 in action at your local dealer. If he doesn't have it, don't take second best, ask him to get it for you through his distributor.

KNOWLEDGE



CANADA Prev Yr ago Sept 18 Metals & Minis Composite 1,896.9° 1,904.45 1,976.1 2,648.5° 2,651.58 2,400.4 Portfolio 129.38\* 129,29 118.89 DENMARK n/a 215.59 177.31 FRANCE CAC Ger 217.8 123.3 Ind. Tendance WEST GERMANY 522.64 519.74 362.59 FAZ-Akpen 1,541.1 1,534.0 1,048,7 Hang Seng 1,563.62 1,569,40 974,92 MALY Banca Comm 399.17 399,65 214.1 METHERLANDS ANP-CBS Gen 220.0 ANP-CBS Ind 192.0 136,3 192.1 NORWAY 365.99 364.88 262.97 Oslo SE SHICAPORE Straits Times 757.60 896.82 SOUTH AFRICA 1.038.0 917.5 946.1 SPAIN Madnd SF 109.00 109.45 147.39 SWEDEN 1,386.88 1,374.21 1,451.42 SWITZERLAND 493.8 Swiss Bank Ind 491.7 378.0 WORLD Sept 17 2128 Capital Intil 212.2 184.2 GOLD (per ounce) Sept 18 \$315,00 \$318,00 London Zünch \$316.65 \$317,45 Parts (Ibling) \$319.20 Silver (spot flying) Luxembourg \$315.50 \$318,75 Copper (cash) Coffee (Sept) New York (Dec) \$319.80 \$321,50

INTEREST RATES (3-month offered rate) 4% 41/2 10 3-month U.S.S 8% 7% 7.85 7.18 8½ 7% 7.85 7.095 6-month U.S.S U.S. 2-month T-bill U.S BONDS Treesury Price Yield 99\*\* 9.03 1992 1995 100152 10.26 100132 10.26 10% 10015: 10 420 10015: 10.40 10% 2015 99\*\*52 10.664 99\*\*52 10.64 Sep 18\* Corporate Рпсе Price 99% 81% 99½ 81¼ 10,45 10% June 1990 3% July 1990 8% May 2000 8.70 8 65 8274 11.15 82% 10% Mar 1993 98% 10.92 10% May 1993 961/2 Sadarated Dept S 11.50 97 10% May 2013 11.60 11.80 Feb 2013 100% 11.60 100% 11.7S 12'4 Dec 2012 98% 12.40 FINANCIAL FUTURES CHICAGO Latest High U.S. Treesury Bonds (CBT) 8% 32nds of 100% 78-05 76-11 76-01 76-06 U.S. Treasury Bills (IMM) \$1m points of 100% 93.02 93.03 92.92 92.89 Sept Certificates of Deposit (IMM) \$1m points of 100% 92.09 92.05 92.05 92.03 LONDON £50,000 32nds of 100% 111-20 111-22 111-13 111-21 Dec COMMODITIES